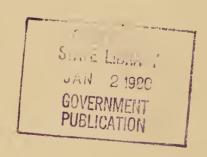
G275 B8 1979/80 Summ.



## 1979-80 GOVERNOR'S BUDGET SUMMARY

Edmund G. Brown Jr., Governor, State of California



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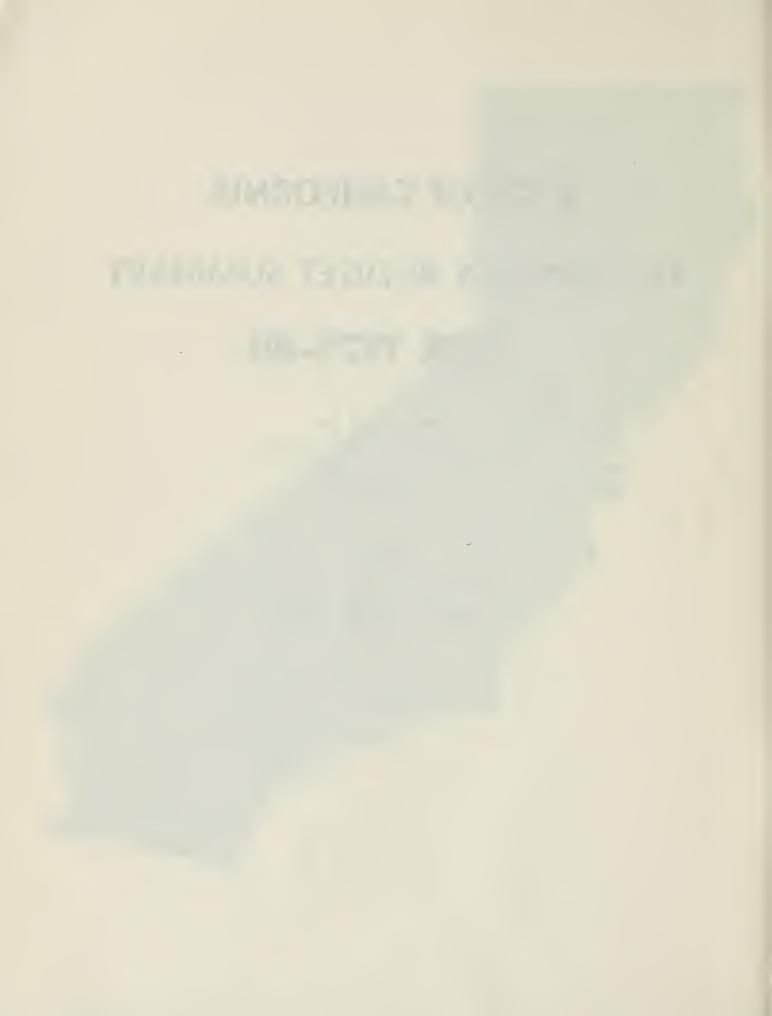




# STATE OF CALIFORNIA GOVERNOR'S BUDGET SUMMARY FOR 1979-80

Submitted by EDMUND G. BROWN JR. Governor

to the CALIFORNIA LEGISLATURE 1979-80 Regular Session





### State of California

GOVERNOR'S OFFICE SACRAMENTO 95814

January 10, 1979

### **Budget Message**

To the Members of the Legislature of California:

The proposed budget is about \$2 billion less than we projected only a year ago and reflects the clear mandate of the voters for a leaner government. The budget increase is well below the rate of inflation and for the first time since World War II requires an actual decrease in the number of state employees.

The budget total falls substantially below all proposed constitutional spending limits, including the Gann Initiative. At the same time, it keeps faith with the vision and conscience of California. It builds for the future with new or expanded efforts in the arts, affirmative action, protection of children, urban parks, apprenticeship training, enforcement of labor laws to protect the working poor, and housing.

This budget also contemplates a tax reduction of at least \$1 billion, which will be justified if continuing inflation drives state taxes to expected levels. Such excess taxes must be recaptured by the people because they have been extracted by inflation, not real economic growth.

Edment & Brown D



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### Schedule 1

### GENERAL BUDGET SUMMARY

	Reference			Budgei	Selected Bond	Expenditure Totals
	to	General	Special	Expenditure	Fund	Including
1977–78	Schedule	Fund	Fund	Totals	Expenditures	Bond Funds
Prior year resources available (General Fund)	2 3	\$1,877,523,799 13,694,980,289 11,685,643,451 <sup>f</sup>	\$851,558,764 2,266,883,404 2,161,114,521	\$13,846,757,972	\$156,551,003	\$14,003,308,975
Reserves		200,751,727	217,351,802			
BALANCE AVAILABLEFederal Revenue Sharing Fund—cash <sup>a</sup>		\$3,686,108,910 283,745,972	\$739,975,845			
TOTAL AVAILABLE		\$3,969,854,882				
1978–79						
Prior year resources available (General Fund)		\$3,886,860,637	\$957,327,647			
Revenue and transfers	2	14,998,494,487	2,421,451,123			
Budget		12,240,809,654 <sup>f</sup>	2,662,812,786	\$14,903,622,440	\$426,866,886	\$15,330,489,326
Fiscal Relief for Local Government		5,137,709,722 870,000,000	_			
Reserves		151,269,274 b	44,896,725			
BALANCE AVAILABLE Federal Revenue Sharing Fund—cash a	4	\$2,225,566,474 277,672,000	\$671,069,259			
TOTAL AVAILABLE		\$2,503,238,474				
Prior year resources available (General Fund)	2 3 e	\$2,376,835,748 15,995,261,332 12,710,076,559 <sup>f</sup> 4,378,000,000	\$715,965,984 2,572,092,576 2,577,824,056	\$15,287,900,615	\$168,986,300	\$15,456,886,915
Reserves:						
Unencumbered Balance of Continuing Appropriations Legislation and Legislative Augmentation	••••	111,009,848 ° 150,000,000 100,000,000 480,000,000	51,307,344			
BALANCE AVAILABLE	4	\$443,010,673 274,910,000	\$658,927,160			•
TOTAL AVAILABLE	••••	\$717,920,673				
a These funds are in a trust fund and reserved until approb Includes \$142.6 million reserved by the Legislature in the Includes \$108.5 million of the \$142.6 million reserved by Refer to the budget for Proposition 13 Fiscal Relief for e Refer to Pages A13 to A16, Reserves—Local Governmer f Comparison of current General Fund revenues and trans	e 1978 Budget the Legislature Local Governm t Fiscal Relief.	Act for construction of 5 e in the 1978 Budget Ac ent, Pages 1221-3.	State office buildings what (See footnote c). The	nen reappropriated. remaining \$8.6 million i	s included in the 197	9–80 expenditures.
General Fund:		1977–78	19/0-/9	17/7-00		
Current revenue and transfers		\$13,694,980,289	\$14,998,494,487	\$15,995,261,332		
Current expenditures:  Total fiscal year expenditures	****	11,685,643,451	12,240,809,654	12,710,076,559		
Adjustment for expenditures chargeable against une cumbered balances:	en-					
Ending reserves Beginning reserves		200,751,727 105,040,485	151,269,274 -200,751,727	111,009,848 151,269,274		
		\$95,711,242	-\$49,482,453	-\$40,259,426		

### Schedule 1-A GENERAL FUND

### BALANCES AVAILABLE FOR APPROPRIATION JUNE 30, 1979 Reconciliation of the Changes from the Previous Budget Estimates

	1978–79	1979–80	
	Governor's	Governor's	Changes
	Budget	Budget	to
1977–78 Fiscal Year	(previous	(revised	balance
(From current year to past year)	estimate)	estimate)	available
Revenues and Transfers:			
Revenues	\$13,148,783,653	\$13,478,506,407	\$329,722,754
Transfers	216,478,936	216,473,882	-5.054
Outgo:	62.012.70/.25/	CA 0.53 034 (03	
State Operations	\$3,013,796,256	\$2,953,024,692	\$60,771,564
Capital Outlay	151,702,900 8,984,307,730	56,317,519 8,676,301,240	95,385,381 308,006,490
Local Assistance			
Totals, Expenditures	\$12,149,806,886	\$11,685,643,451	\$464,163,435
Prior year adjustments	-	59,325,044	59,325,044
1978–79 Fiscal Year			
(From budget year to current year)			
Revenues and Transfers:			
	\$14,876,068,627	\$14,700,114,534	-\$175,954,093
Revenues	285,006,772	298,379,953	13.373.181
Outgo:	200,000,772	2,0,5,7,755	15,575,101
State Operations	\$3,329,725,039	\$3,106,418,866	\$223,306,173
Capital Outlay	125,544,041	188,318,182	-62,774,141
Local Assistance	10,027,190,290	8,946,072,606	1,081,117,684
Totals, Expenditures, Budget	\$13,482,459,370	\$12,240,809,654	\$1,241,649,716
	0.10,100,100,000	0.10,2.10,000,100.1	01,211,015,710
Local Government Fiscal Relief	-	\$4,267,709,722	- \$4,267,709,722
Reserve for unencumbered balances of continuing appropriations	\$2,022,952,782	\$151,269,274	\$1,871,683,508
EFFECT OF REVISED ESTIMATES AS REPORTED IN THE 1979-80 GOVERNOR'S BUDGET	***************************************	***************************************	-\$463,751,231
BALANCE AVAILABLE, June 30, 1979, as estimated in the 1978-79 budget		***************************************	\$2,689,317,705
BALANCE AVAILABLE, June 30, 1979, as estimated in the 1979-80 budget			\$2,225,566,474
Federal Revenue Sharing Fund—Cash			277,672,000
TOTAL AVAILABLE, June 30, 1979			\$2,503,238,474

### Schedule 1-B

## GENERAL FUND STATEMENT OF FINANCIAL CONDITION '

June 30, 1978

087 003 6063		Š	- 1	\$13,117,718						\$200,751,727	100	11	
LIABILITIES Accounts Payable State Operations	Local Assistance Capital Outlay	Total Due to other funds	Kevenues and rembursements collected in advance Other liabilities Total Liabilities	Reserve for uncleared collections.					RESERVES AND AVAILABLE BALANCE	Reserve for unencumbered balance of continuing appropriations Available balance	Total reserves and available balance	TOTAL LIABILITIES, RESERVES AND AVAILABLE BALANCE	
	1	,	\$205,773,956 263,379,025 63,598,366	9		, ~ -	4,918,636	\$96,411,346	\$96,411,346	\$33,432,055 11,238,112 5,773,734		\$4,552,574,306	
Cash	In State Treasury	Total Accounts Receivable—Current	Abatements and reimbursements Revenues Due from other funds	Other current receivables	Accounts Receivable—Deferred Revenues	Due from other funds. Interfund building loans.	Due from local governments Other deferred receivables	Total	Less reserve for deferred accounts receivable	Advance for counties for social welfare Payment to other funds Other deferred charges	Total	TOTAL OPERATING ASSETS	

### FIXED ASSETS

# 

<sup>f</sup> The data that appears in this statement is extracted from the report of the State Controller for the year ended June 30, 1978. General Fund Special Accounts are excluded from this statement in accordance with Chapter 942, Statutes of 1977.

## LONG-TERM OBLIGATIONS

\$3,846,853,730	Net Total Lone-Term Obligations
1,001,883,730	Interest payable in future years
\$2,844,970,000	Net general bonded debt
-2,956,659,000	General obligations bonds Less: self-liquidating bonds
\$5,801,629,000	General obligations bonds
\$3,846,853,730	Amount to be provided from future revenues and school districts

### TOTAL STATE SPENDING PLAN

Schedule 1-C is included for informational purposes to show in one place the State's total spending plan. It provides a means of comparing the total State resources used on a year-to-year basis. In addition to the General Fund, Special Funds and Selected Bond Funds, Schedule 1-C shows expenditures from nongovernmental cost funds and Federal funds. The latter two groupings have not been included as part of State summary expenditures in previous Governors' budgets.

A basic premise in such a consolidation as this is that the State is the financial unit and individual funds are subsidiary units to the State. This is similar to financial units in the private sector in which diversified commercial corporations with several subsidiaries report their operation on a consolidated basis—but is a contrast to traditional governmental accounting, which has held that the individual funds are the financial units and should not be consolidated with other funds or types of funds.

The consolidation in Schedule 1-C presents some theoretical and practical problems. From a theoretical standpoint, it combines all funds and gives the illusion that spending occurs in the same manner regardless of fund. This is not the case: the General Fund, Special Funds and Bond Funds are accounted for on a modified accrual basis; the Public Service Enterprise Funds, Working Capital and Revolving Funds, Retirement Funds and Trust and Agency Funds are accounted for on an accrual basis; and the Health Care Deposit Fund and General Fund appropriations to Medi-Cal are accounted for on a cash basis.

This combination also may give the illusion that total State spending is authorized and controlled through the annual budget process. This is not true. Each fund is created for a specific purpose and its spending is dictated based on the provision of the Constitution or Statute under which it was created. In essence, each fund is a separate fiscal and legal entity that operates under the specific legal provisions that created it. Many expenditures

from funds are authorized by the Constitution or other statutes besides the Budget Act.

From a practical standpoint, Schedule 1-C is only an approximation. For example, it includes some duplicate amounts and does not include reimbursements. Some duplications are spending from the Department of General Services' Service Revolving Fund, which are also included in spending of departments, and from Workers' Compensation, Unemployment Insurance and Nondisability Insurance Benefits, which have been previously collected from State agencies. Other duplications include amounts from bond proceeds, which are included both when bond proceeds are spent and when debt service is paid, and Federal Revenue Sharing, which is included as spending from the Federal Revenue Sharing Fund and also from the General Fund when the funds are transferred to and expended from it.

Schedule 1-C does not include reimbursements received from the public or other levels of government, as these are deducted from State expenditures.

### Schedule 1-C

### Total State Spending Plan For Governmental Cost, Nongovernmental Cost and Federal Funds for the 1977–78, 1978–79 and 1979–80 Fiscal Years

Funds	1977–78	1978–79	1979-80
Governmental Cost Funds: General Fund:			
BudgetLocal Governmental Fiscal Relief	\$11,685,643,451	\$12,240,809,654 4,267,709,722	\$12,710,076,559 4,378,000,000
Totals, General Fund Special Funds	\$11,685,643,451 2,161,114,521	\$16,508,519,376 2,662,812,786	\$17,088,076,559 2,577,824,056
Totals, Governmental Cost Funds Selected Bond Funds	\$13,846,757,972 156,551,003	\$19,171,332,162 426,866,886	\$19,665,900,615 168,986,300
Totals, Governmental Cost and Selected Bond Funds	\$14,003,308,975	\$19,598,199,048	\$19,834,886,915
Public Service Enterprise Funds 1	1,699,922,410	1,976,262,305	2,150,668,674
Working Capital and Revolving Funds	179,615,137	243,940,895	241,439,621
Bond Funds—Other	136,847,554	161,291,074	175,892,797
Retirement Funds <sup>2</sup>	1,107,089,586	1,221,766,845	1,345,613,560
Other Nongovernmental Cost Funds	2,296,415,167	1,434,648,089	1,545,100,800
Totals, Nongovernmental Cost Funds	\$5,419,889,854	\$5,037,909,208	\$5,458,715,452
Federal Funds	7,239,072,119	7,813,426,256	8,122,200,114
TOTALS, SPENDING, ALL FUNDS	\$26,662,270,948	\$32,449,534,512	\$33,415,802,481

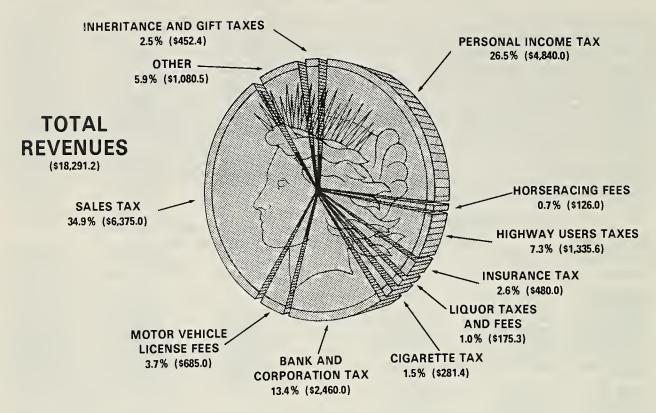
The following provides supplemental detail for the significant funds and amounts which comprise the various categories of Nongovernmental Cost Funds:

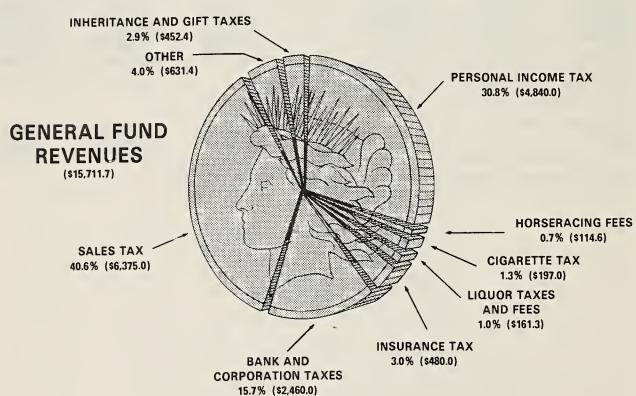
\$710,598,059 14,605,638 64 23,982,800 45 148,396,600 754 20,236,200 777 499,826,559 117 15,448,155 191 512,500,000 176 30,668,294 110 \$1,976,262,305 22 \$7,039,689 187 167,732,770 178 13,898,975	\$806,706,684 13,527,029 24,252,800 151,015,700 53,600,000 526,221,624 13,534,270 543,500,000 18,310,567 \$2,150,668,674
14,605,638 64 23,982,800 45 148,396,600 754 20,236,200 777 499,826,559 117 15,448,155 191 512,500,000 176 30,668,294 110 \$1,976,262,305	13,527,029 24,252,800 151,015,700 53,600,000 526,221,624 13,534,270 543,500,000 18,310,567
64 23,982,800 45 148,396,600 754 20,236,200 777 499,826,559 117 15,448,155 191 512,500,000 176 30,668,294 110 \$1,976,262,305 1022 \$7,039,689 187 167,732,770	24,252,800 151,015,700 53,600,000 526,221,624 13,534,270 543,500,000 18,310,567 \$2,150,668,674
145	151,015,700 53,600,000 526,221,624 13,534,270 543,500,000 18,310,567 \$2,150,668,674
145	53,600,000 526,221,624 13,534,270 543,500,000 18,310,567 \$2,150,668,674
254 20,236,200 499,826,559 417 15,448,155 491 512,500,000 476 30,668,294 410 \$1,976,262,305 222 \$7,039,689 487 167,732,770	53,600,000 526,221,624 13,534,270 543,500,000 18,310,567 \$2,150,668,674
499,826,559 117 15,448,155 191 512,500,000 176 30,668,294 110 \$1,976,262,305 1022 \$7,039,689 187 167,732,770	526,221,624 13,534,270 543,500,000 18,310,567 \$2,150,668,674
117 15,448,155 191 512,500,000 176 30,668,294 110 \$1,976,262,305 1022 \$7,039,689 187 167,732,770	13,534,270 543,500,000 18,310,567 \$2,150,668,674
191 512,500,000 176 30,668,294 110 \$1,976,262,305 1022 \$7,039,689 187 167,732,770	543,500,000 18,310,567 \$2,150,668,674
30,668,294 110 \$1,976,262,305 22 \$7,039,689 167,732,770	18,310,567 \$2,150,668,674
\$1,976,262,305 922 \$7,039,689 167,732,770	\$2,150,668,674
\$7,039,689 187 167,732,770	
187 167,732,770	\$7,278,050
187 167,732,770	\$7,278,050
187 167,732,770	
	155,337,909
13,070,773	16,275,275
508 20,197,764	20,812,841
35,071,697	41,735,546
\$243,940,895	\$241,439,621
993 \$6,124,000	\$6,200,000
	169,692,797
\$161,291,074	\$175,892,797
98 \$16,007,166	\$17,967,626
1,830,000	1,971,000
807 654,964,966	726,597,923
	577,600,000
	\$1,324,136,549
)58 20,264,105	21,477,011
\$1,221,766,845	\$1,345,613,560
134 29 575,755	43,418,000
	116,362,748
	936,414,986
	276,200,000
1/2,058,765	172,705,066
\$1,434,648,089	\$1,545,100,800
	\$6,124,000 \$61

### CHART 1

### **REVENUE DOLLARS**

(amounts in millions) 1979-80 FISCAL YEAR

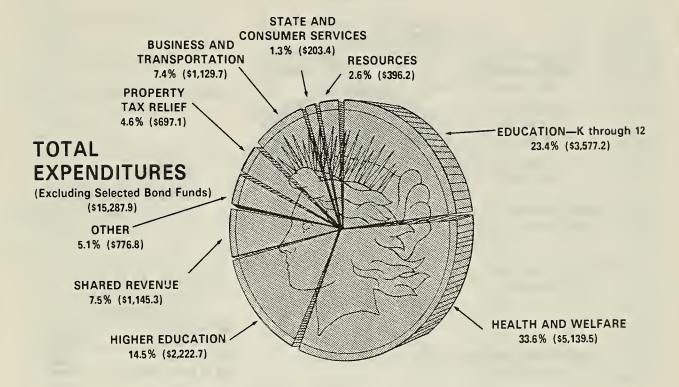


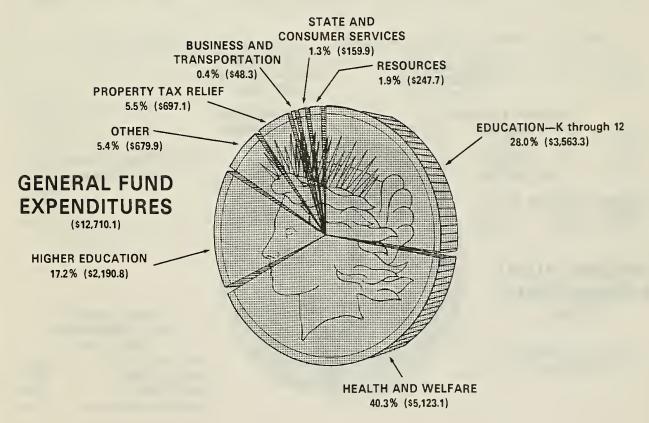


### CHART 2

### **BUDGET EXPENDITURE DOLLARS**

(amounts in millions) 1979–80 FISCAL YEAR

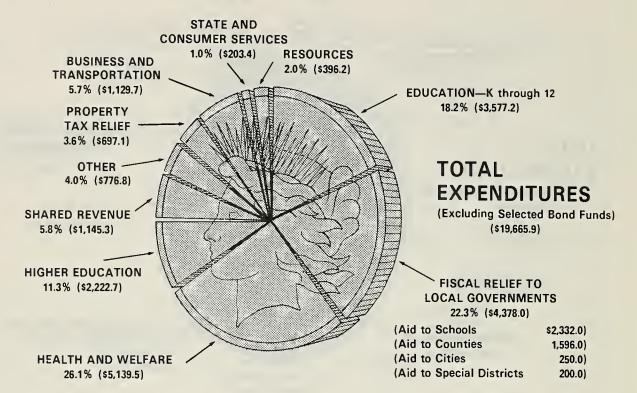


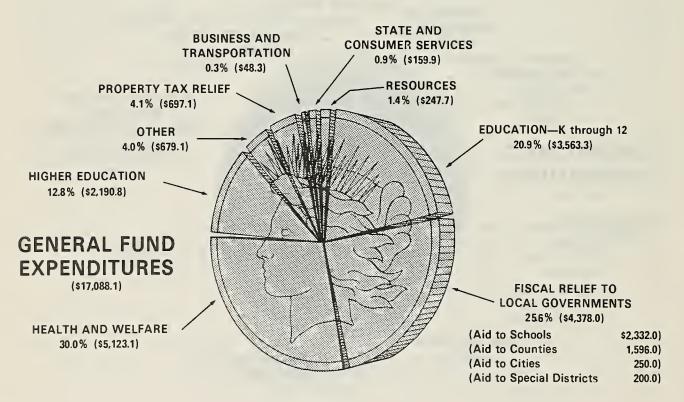


### CHART 3

### EXPENDITURE DOLLARS

(Including Local Government Fiscal Relief)
(amounts in millions)
1979–80 FISCAL YEAR





### TABLE 1

### PERSONNEL YEARS AND SALARY COST ESTIMATES

(Excludes Staff Benefits)

	(Lacidots Stair Delicins)							
	1977-78	Fiscal Year	1979–80 Fiscal Year					
	Personnel	Net salaries	Personnel	Net salaries	Personnel	Net salaries		
	years	and wages	vears	and wages	years	and wages		
FUNCTION	5		<i>y</i> • • • • • • • • • • • • • • • • • • •		J 4411			
Legislative/Judicial/Executive:								
	327.7	CC CCC 202	347.9	£7 155 241	352.7	\$7,491,246		
Legislative	972.7	\$6,666,283		\$7,155,341	1.022.4			
Judicial		33,466,139	1,013.8	36,322,881		36,834,975		
Executive	7,349.5	119,982,917	7,660.7	128,091,201	7,459.7	126,137,376		
State and Consumer Services	10,784.2	155,124,643	11,196.1	160,257,567	10,993.6	161,443,713		
Business and Transportation	32,237.8	520,136,688	32,335	522,574,152	31,185.4	523,897,650		
Resources	14,192.5	233,957,140	14,902.5	243,074,463	13,268.3	223,114,109		
Health and Welfare	52,145	836,809,431	53,373.9	853,575,020	52,346.1	850,273,173		
Education:								
Education	2,673.7	45,184,332	2,929.8	48,972,211	2,837.7	48,594,059		
Higher Education	92,394.6	1,419,884,050	90,912.4	1,487,230,697	90,585.8	1,536,503,229		
General Government:								
General Administration	8,173.7	136,592,821	9,087.6	153,199,100	8,567.2	147,068,964		
Unallocated salary increase	_		_	18,540,919	_	1,708,000		
Totals	221 251 4	\$3,507,804,444	223,759.7	\$3,658,993,552	218,618.9	\$3,663,066,494		
Total Reductions per Section 27.2					(3,277.9)			
Total Reductions per Section 27.2	(-)	(-)	(-3,321)	(-54,525,080)	(3,277.9)	(-53,668,966)		
POSITION CLASSIFICATION								
	127.1	E2 17( 002	127	£2.200.050	127	\$3,574,100		
Constitutional officers	127.1	\$3,176,903		\$3,398,850	214.1			
Statutory	169.4	7,948,105	200.1	9,928,379		9,936,921		
Civil service	126,872.5	2,028,251,529	133,251.8	2,123,784,186	128,400.7	2,094,344,474		
Superior court judges—part salary	551	21,918,707	561	23,631,944	561	23,843,564		
Exempt—Other	1,584.9	33,555,191	1,706.6	37,551,735	1,678.4	37,671,299		
Exempt—Higher Education:								
University of California	56,021.8	835,885,678	56,248.7	900,501,017	56,327.6	940,768,552		
Auxiliary facilities-University of Califor-								
nia	2,146.5	14,981,000	1,650	19,052,000	1,650	19,890,000		
Hastings College of Law	173.5	3,418,437	182.6	3,515,488	193.6	3,696,225		
State University and Colleges	31,975.5	539,994,963	31,558.9	555,287,916	31,221.2	564,224,171		
Auxiliary State University and College								
Facilities	1,629.2	18,673,931	1,594	18,326,198	1,523.2	17,078,154		
Unallocated salary increase	_	_	_	18,440,919	_	1,708,000		
Totals	221 251 4	\$3,507,804,444	227,080.7	\$3,713,418,632	221.896.8	\$3,716,735,460		
Reductions per Section 27.2	221,231.4	33,307,804,444	-3.321	-54,525,080	-3,277.9	-53,668,966		
			-3,321					
NET TOTALS	221,251.4	\$3,507,804,444	223,759.7	\$3,658,893,552	218,618.9	\$3,663,066,494		

### SUMMARY OF POSITIONS ELIMINATED AS A RESULT OF SECTION 27.2, BUDGET ACT OF 1978

	1978-79	Fiscal Year Salaries	1979–80 Fiscal Year Salaries		
	Position	and Wages	Position	and Wages	
FUNCTION					
Legislative/Judicial/Executive					
Legislative	_	_	_	_	
Judicial	_	_	_	_	
Executive	200.9	3,205,770	200.9	3,205,770	
State and Consumer Services	357.7	5,518,421	357.7	5,518,421	
Business and Transportation	841.6	15,489,719	841.6	15,489,719	
Resources	392.8	5,404,271	393.3	5,386,031	
Health and Welfare	420.5	7,028,978	376.9	6,215,872	
Education:					
Education	27.3	360,875	27.3	360,403	
Higher Education	808.5	13,455,256	808.5	13,462,696	
General Government:	271.7	4,061,790	271.7	4,030,054	
Totals, Reductions per Section 27.2	3.321	\$54,525,080	3,277.9	\$53,668,966	

TABLE 1A POSITIONS AND SALARY COST ESTIMATES (Excludes Staff Benefits)

	1977–78 Fiscal Year		1978-79	Fiscal Year	1979–80 Fiscal Year		
Function	Actual Positions <sup>†</sup>	Total Salaries and Wages	Estimated Positions	Total Salaries and Wages	Proposed Positions <sup>2</sup>	Total Salaries	
	1 OSITIONS	and wages	FUSITIONS	and wages	FOSITIONS -	and Wages	
Legislative/Judicial/Executive:							
Legislative	327.7	\$6,666,283	348.5	\$7,188,599	353.5	\$7,526,659	
Judicial	972.7	33,466,139	1,015.3	36,357,881	1.023.9	36,869,975	
Executive	7,349.5	119,982,917	7,922.1	132,002,233	7,742.8	131,083,616	
Executive	.,5.,,15	117,702,711	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	132,002,233	7,712.0	151,005,010	
State and Consumer Services	10,784.2	155,124,643	11,418	164,036,868	11,228.4	165,685,117	
					,	, ,	
Business and Transportation	32,237.8	520,136,688	33,464.3	538,041,460	32,253.3	537,614,532	
Business and Transportation	,	,,	,	000,011,100	02,200.0	551,611,552	
Resources	14,192.5	233,957,140	15,335.9	249,234,383	13,669.2	230,472,052	
Resources	,	200,501,110	10,000.5	217,231,303	15,007.2	250, 172,052	
Health and Welfare	52,145	836,809,431	55,798.2	888,372,057	54,722.8	887,497,535	
Treath and wenter minimum.	52,115	000,000,101	33,170.2	000,512,051	31,122.0	001,171,333	
Education:							
Education K-12	2,673.7	45,184,332	2,981.7	49,823,170	2,886.2	49,438,062	
Higher Education	92,394.6	1,419,884,050	91,011.4	1,505,817,512	90,755.8	1,560,269,902	
General Government:							
General Administration	8,173.7	136,592,821	9,245.4	155,668,892	8,785.6	151,260,886	
Unallocated Salary Increases	-	-	-	18,440,919	-	1,708,000	
Totals	221,251.4	\$3,507,804,444	228,540.8	\$3,744,983,974	223,421.5	\$3,759,426,336	
	221,231.4	\$3,307,6 <b>04</b> , <del>444</del>					
Less Statewide Salary Savings			<u>-4,781.1</u>	_86,090,422	<u>-4,802.6</u>	-96,359,842	
Net Totals	221,251.4	\$3,507,804,444	223,759.7	\$3,658,893,552	218,618.9	\$3,663,066,494	

NOTE: Consistent with past practice, position counts related to salary savings are not included for the University of California and for the State University and Colleges in both the 1978–79 and 1979–80 fiscal years. However, in future years all of these positions will be included in Table 1 and Table 1A to provide consistency with presentations for other departments.

As shown in departmental budgets as "Totals, Salaries, and Wages."
Reflects "Totals, Salaries, and Wages" as adjusted by Section 27.2 reductions.

TABLE 2 SUMMARY OF STATE POPULATION, EMPLOYEES, EXPENDITURES, AND CPI

					Expenditures		Expenditures	nar Canits	Expenditures of Personal		
			Population	Personal	General		Expellululules	рег Сарна	Of I CINOHAI	meone	
	Population '		Per	Income	Funi	Total	General		General		California
Year	(thousands)	Employees	Emplovee	(millions)	(thousands)	(thousands)	Fund:	Total	Fund .	Total	CPI 4
1950–51	10.887	61.000	178.5	\$21,436	5587,081	\$1,006,339	\$53.92	\$92.43	\$2.74	\$4.69	72.2
1951–52	11,384	63,860	178.3	23,884	635,467	1,068,072	55.82	93.82	2.66	4.47	76.2
1952–53	11,364	65,720	180.6		713,764	1,176,719	60.13	99.13	2.71	4.46	77.7
1953–54	12,309	69,928	176.0	26,365 27,189	808,692	1,381,400	65.70	112.27	2.97	5.08	78.4
1733-34	12,309	07,720	170.0	21,109	000,072	1,361,400	05.70	112.27	2.91	3.08	70.4
1954–55	12,761	74,099	172.2	28,852	852,017	1,422,452	66.77	111.47	2.95	4.93	77.9
1955-56	13,293	77,676	171.1	31,908	922,566	1,532,811	69.40	115.31	2.89	4.80	78.5
1956–57	13,879	88,299	157.2	34,485	1.029.812	1,732,467	74.20	124.83	2.99	5.02	80.9
1957-58	14,459	98,015	147.5	36,213	1,146,531	1,938,845	79.25	134.09	3.17	5.35	83.6
1958-59	15,015	101,982	147.2	38,922	1,245,929	2,066,187	82.98	137.61	3.20	5.31	85.8
.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,0.	101,702	1-7.2	30,722	1,245,727	2,000,107	02.70	157.01	3.20	2.21	05.0
1959-60	15,576	108,423	143.7	42,137	1,434,806	2,140,376	92.12	137.41	3.41	5.08	87.6
1960-61	16,112	115,737	139.2	44,069	1,678,081	2,525,394	104.15	156.74	3.81	5.73	88.8
1961-62	16,633	122,339	136.0	47,100	1,697,434	2,487,813	102.05	149.57	3.60	5.28	89.9
1962-63	17,214	128,981	133.5	50,390	1,881,134	2,800,381	109.28	162.68	3.74	5.56	91.1
1963-64	17,771	134,721	131.9	54,130	2,064,120	3,174,407	116.15	178.63	3.81	5.86	92.5
	·	/		,	_,,	-,,					
1964-65	18,258	143,896	126.9	57,673	2,344,842	3,651,945	128.43	200.02	4.07	6.33	94.4
1965-66	18,672	151,199	123.5	62,383	2,579,618	4,058,635	138.15	217.36	4.14	6.51	96.2
1966-67	19,044	158,404	120.2	67,203	3,017,197	4,658,899	158.43	244.64	4.49	6.93	98.5
1967-68	19,374	162,677	119.1	72,488	3,272,809	5,014,170	168.93	258.81	4.51	6.92	102.2
1968-69	19,667	171,655	114.6	79,535	3,908,783	5,672,852	198.75	288.45	4.91	7.13	106.5
				,	-,,	-,,					
1969-70	19,910	179,583	110.9	85,800	4,456,082	6,301,722	223.81	316.51	5.19	7.34	112.1
1970–71	20,143	181,581	110.9	91,074	4,853,860	6,556,325	240.97	325.49	5.33	7.20	117.2
1971-72	20,360	181,912	111.9	98,630	5,027,275	6,683,742	246.92	328.28	5.10	6.78	121.1
1972–73	22,553	188,460	119.7	107,101	5,615,684	7,421,705	249.00	329.08	5.24	6.93	126.1
1973–74	20,784	192,918	107.7	118,255	7,299,436	9,311,265	351.20	448.00	6.17	7.87	136.0
1974–75	21,050	203,548	103.4	132,078	8,345,642	10,276,490	396.47	488.19	6.32	7.78	151.7
1975–76	21,363	206,361	103.5	147,154	9,518,436	11,452,454	445.56	536.09	6.47	7.78	163.5
1976–77	21,714	213,795	101.6	164,145	10,467,097	12,631,717	482.04	581.73	6.38	7.70	174.0
1977–78	22,090	221,251	99.8	184,280	11,685,643	14,003,309	529.00	633.92	6.34	7.60	186.2
1978–79 "	22,498	223,760	100.5	211,333	12,240,810	15,330,489	544.08	681.42	5.79	7.25	201.0
1978–79 ° `					(16,508,519)	(19,598,199)	(733.78)	(871.11)	(7.81)	(9.27)	
1050 001											
1979–80 *	22,900	218,619	104.7	234,473	12,710,077	15,456,887	555.03	674.97	5.42	6.59	215.0
1979–80 ° `					(17,088,077)	(19,834,887)	(746.20)	(866.15)	(7.29)	(8.46)	

Population as of January 1, the midpoint of the fiscal year.

Excludes Special Accounts in General Fund beginning 1976-77.

Expenditures include payments from General Fund, Special Funds and Selected Bond Funds (beginning in 1957-58).

Fiscal year basis: calendar year 1967 equals 100.

Fiscal year basis.

Estimated.

Includes Local Government Fiscal Relief.



### Local Government Fiscal Relief

California voters approved a constitutional amendment on June 6, 1978 which reduced property taxes more than fifty percent and reduced local government receipts by approximately \$6.8 billion. This has forced a critical reevaluation of the activities that government has been performing and the efficiency of these programs in meeting the needs of California's citizens.

While the reduction in taxes occurred at the local level, the concern on the part of the electorate appeared to be with government in general. The Legislature provided \$4.238 billion in fiscal relief to local government to ensure the orderly delivery of essential services during the 1978–79 fiscal year.

Both State and local government have begun the process of determining which programs should be retained, altered to make them more efficient, or eliminated. In order to provide time for this reassessment to occur in an orderly manner, a continuation of the current program is proposed for the budget year.

This will provide time for the Legislature to take into consideration recommendations by the Commission on Government Reform, and others, in developing a long-range plan for California government finance. Minor adjustments to the current-year program will be proposed where necessary to provide a better allocation of resources. In addition, it is recommended that the Legislature pass the 1979–80 relief measure by March 1, 1979. This will give local government time to plan for the fiscal year and give all parties more time to devote to a long-range solution.

The total amount proposed for local government fiscal relief is \$4.378 billion.

The following is a discussion of the proposed local government fiscal relief program by level of government.

### AID TO LOCAL SCHOOLS

### K-12 EDUCATION

### \$2,072,000,000

- a. Funding Increase of 7% Per Student The same appropriation for elementary, high school, and unified school districts, and county offices of education is proposed for 1979–80 that was included in SB 154 for 1978–79. It is estimated that the continuation of this appropriation plus the additional State funding proposed in the Budget Bill for 1979–80 and an anticipated 10% growth in local property taxes will enable the average district to increase its spending by 7% per-student in 1979–80.
- b. Serrano Equalization Formula
  It is proposed that the new law include an equalization formula that will reduce the disparity between the low-spending and high-spending districts as required by the California Supreme Court in its Serrano v. Priest decision.
- c. Summer School and Adult Education
  The policy established by SB 154 and the
  Budget Act of 1978–79 for financing specified summer school and adult education
  programs is proposed for continuation in
  1979–80. There would be no State support

for summer school programs or adult education programs except for adult education programs in elementary and secondary basic skills in mathematics, history, government, language arts; adult education programs in citizenship for immigrants; adult education programs for substantially handicapped persons; adult education programs for apprentices; adult short-term vocational programs with high employment potential; summer school, adult, and kindergarten and grades 1 through 12 programs for substantially handicapped persons; and summer school programs for graduating high school seniors.

d. Termination of Lower Priority Programs
Three programs are proposed for termination on the basis that they are of a lower priority. These are the Mentally Gifted Minors Program (\$13.6 million), the Driver Training Program (\$20.0 million), and the Instructional Television Program (\$0.8 million). It is proposed that these funds be redirected to meet higher priority needs for Preschool Bilingual Education and Deferred Maintenance in schools.

e. Expansion or Establishment of Higher Priority Programs

1. Preschool Bilingual Education
A \$4 million augmentation for the Preschool Education Program is proposed to meet the needs of approximately 2,000 additional limited and non-English-speaking students who cannot be placed in a regular school program when they enter school at the age of 5 or 6. It is anticipated that teaching these students English before they enter the regular program will reduce the costs of Bilingual Education programs in the future and/or reduce the number of failures by these students in the regular elementary school programs.

School Maintenance Program
 A new State matching program with school districts is proposed to meet the serious backlog in school maintenance needs throughout the State as identified in the July 1978 Report by the Commission on California State Government Organization and Economy (Little Hoover Commission). The Report

states that "the longer major maintenance is deferred, the greater the likelihood that other costly problems will arise. If timely steps are not taken to relieve the backlog, the deterioration may soon reach a state at which the costs of rectification would become completely unmanageable". This would be a \$30.4 million program similar to that proposed in SB 362 (Rodda) of 1977 and would be administered by the State Allocation Board.

f. Redesign of Economic Impact Aid Program

A new formula for the Economic Impact Aid Program must be designed for 1979–80 because the Federal Government has ruled that the formula provided for in AB 65, to become effective on July 1, 1979, fails to comply with the new Federal law (PL 95-561/1978) for receipt of Federal Title I funds pursuant to the Elementary and Secondary Education Act (ESEA). Unless this formula is redesigned, California could lose \$258.3 million in Federal ESEA Title I funds.

It is proposed to combine the state funds of \$124 million for Economic Impact Aid with the \$44 million for Urban Impact Aid of which approximately \$37 million is scheduled to terminate at the end of 1979-80 pursuant to AB 65 (1977). The \$168 million would be appropriated in the local government fiscal relief bill and would be available for a new Economic Impact Aid Program to school districts with special needs to be enacted through separate legislation. This new program should include a formula that complies with the interpretation of the new Federal law and should be designed to meet the special needs of urban. rural and other school districts with high concentrations of limited-English-speaking students, educationally disadvantaged youth (EDY), and economic impacts beyond the district's control.

g. Flexibility in the Use of Reserves
In order to allow school districts and county offices greater flexibility in the management of their financial resources to meet their needs, they should be permitted to use their reserves as they determine to be most

prudent for their particular district or county office. Therefore, it is proposed that *no* requirement for use of reserves be included as a condition for approval of State aid.

h. Court Orders and Federal Mandates
It is proposed that the provisions of SB 90
enacted in 1977 that allow school districts
to increase their revenue limits and thereby
be compensated by the State through the
local government fiscal relief measure for
court orders and Federal mandates be terminated. The costs of court orders against
a particular district should be met by that
district from its own financial resources
and should not be paid for by State taxpayers outside that district. The costs of Federal mandates should be met by the
Federal Government.

### COMMUNITY COLLEGES......... \$260,000,000

The same appropriation for community college districts is proposed for 1979–80 that was included in SB 154 for 1978–79. It is estimated

that the continuation of this appropriation plus the additional State funding proposed in the Budget Bill for 1979–80 and an anticipated 10% growth in local property taxes will enable the average district to increase its spending by 6% per-student in 1979–80.

In addition, community college districts should be allowed flexibility in the use of their reserves as proposed above for K-12 districts and county offices of education.

### A NEW COOPERATIVE EDUCATION AND JOB TRAINING PROGRAM ....... \$20,000,000

It is proposed to reserve \$20 million from funds allocated for K-12 and community college districts in the local government fiscal relief bill for a New Cooperative Education and Job Training Program to be developed by the Employment Development Department in cooperation with private industry, labor and the educational community. The objective of this program will be to use current funds more effectively to train persons for available jobs in the employment market.

### **AID TO COUNTIES**

In 1979–80, as was the case in the current year, it is proposed that counties be relieved on a one year basis of certain health and welfare costs. An effort will be made to minimize any constraints attached to county fiscal relief in an effort to encourage greater decision making and priority setting at the local level. In 1979–80 it is proposed that the counties be relieved of the following program costs totaling \$1,596,000,000.

### MEDI-CAL, COUNTY SHARE .... \$484,000,000

Existing law established a fixed dollar amount for the county share of the Medi-Cal program, adjusted annually for increases in county assessed valuation. In 1979–80 it is proposed that the counties be relieved of their share of the Medi-Cal program.

### SSI/SSP, COUNTY SHARE ...... \$200,400,000

It is again proposed for 1979–80 that the counties be relieved from their share of the Supplemental Security Income/State Supplementary Program (SSI/SSP). Counties have no administrative responsibility for this program

and, as is the case with Medi-Cal, their share is fixed in statute, adjusted annually for changes in assessed valuation.

### AFDC, COUNTY SHARE..... \$256,200,000

The Aid to Families with Dependent Children (AFDC) program is a major cost to county government. In 1979–80, as was the case in 1978–79, it is proposed that counties be relieved of these costs in their entirety.

The AFDC program is administered at the county level by local welfare departments. To promote continued efficiency of administration, it is proposed that language be included in implementing legislation which would permit the State to impose fiscal sanctions on any county with an AFDC error rates exceed a statewide norm. Such language was applicable in 1978–79.

### 

It is proposed in 1979-80 that counties be relieved of a significant amount of their BHI

costs. In 1978–79, SB 154 provided that the non-federal costs of the BHI program be shared by the State and counties on a 95%–5% ratio.

Under the existing administrative structure counties establish the monthly rates which they will pay to foster homes and institutions for the placement of needy children. These rates vary widely throughout the state reflecting geographical differences, cost-of-living variances and other economic factors. Recognizing that counties exercise wide latitude of choice and action in the administration of the BHI program (in contrast with Medi-Cal, SSI/SSP, and the other AFDC programs) it is considered desirable to retain a significant county share of the cost of this program. Therefore, in 1979-80 it is proposed that the non-federal costs of the BHI program be shared on a 50%-50% ratio instead of the 95% State-5% county ratio which was embodied in SB 154.

### CHILD SUPPORT ADMINISTRATION, COUNTY SHARE ...... \$29,300,000

Counties are encouraged to collect support payments from absent parents in an effort to hold down AFDC cost and caseloads. In 1979–80 it is proposed that the county costs associated with this program be relieved in their entirety.

### AFDC-ADMINISTRATION, COUNTY SHARE ...... \$63,800,000

In 1979–80 it is proposed that counties be relieved entirely of their share of administrative costs associated with the AFDC Program, as they were in 1978–79.

As has been the case for the past few years, county costs of administration will be carefully monitored and controlled by the State Department of Social Services.

### FOOD STAMP ADMINISTRATION— COUNTY SHARE ...... \$21,500,000

Counties are presently held harmless by statute from administrative costs which exceed 1973 –74 levels, or \$21.5 million. It is proposed that counties be relieved of their costs entirely in 1979–80. A similar feature in the same amount was included in SB 154.

### OTHER FUNDING .......... \$498,400,000

It is proposed that block grants to counties be increased from the current year level of \$436 million. The increase is intended to compensate for additional costs which will occur at the local level as the result of the proposed change in State and county share of the non-federal costs of the BHI program. Preliminary estimates indicate that the combination of county tax sources and State fiscal relief will allow county revenues to increase by more than 9 percent over 1978–79.

### AID TO CITIES

It is proposed to continue the current year \$250,000,000 level of fiscal relief to cities. Adjustments will be proposed to eliminate fiscal relief to cities which are not heavily dependent on the property tax. In addition, an effort will be made to minimize any constraints attached to city fiscal relief in an effort to encourage greater

decision making and priority setting at the local level.

Preliminary estimates indicate that the combination of city tax sources and State fiscal relief of \$250 million will allow city revenues to increase by more than 9 percent over 1978–79.

### AID TO SPECIAL DISTRICTS

Special districts have presented the most difficult problem in providing fiscal relief to local government. The sheer number of districts and differing services make it impossible to provide a general program without causing hardship to particular districts.

In order to minimize hardships, it is proposed to give county boards of supervisors and city councils broader authority in allocating fiscal relief to special districts. In addition, it is proposed to give city and county government additional authority in allocating the current 1 percent property tax. This will include reducing or eliminating property taxes for enterprise districts.

The additional flexibility granted to local government along with an increase in fiscal relief from \$162 million in 1978–79 to \$200 million in 1979–80 will minimize special district hardships.

### Reserves

### LEGISLATION AND LEGISLATIVE AUGMENTATIONS

The Financial Plan initially included in the Governor's Budget is typically amended several times as the budget moves through the Legislative Process and as the fiscal year unfolds. The Legislature also enacts special measures requiring State funding. In order to reflect the likelihood of budget augmentations and legislation for the 1979–80 fiscal year, \$150 million of General Fund monies has been shown as a reserve.

### PRUDENT RESERVE

Governmental units are usually faced with the uncertainty of estimating future income and outgo. For the past year or so, most Executive and Legislative revenue and expenditure estimates have allowed for a contingency to meet any unexpected shortfall in revenues or unforeseen expenditures. With the current mixed forecasts of 1979 economic activity, it is now more important than ever to provide for such contingencies. A General Fund reserve of three percent of revenues (\$480 million) is shown for this purpose.

### HOUSING DEVELOPMENT

Housing is a basic necessity of life; yet, because of supply imbalances and income disparti-

ties, a significant number of Californians are excluded from homeownership and decent rental opportunities.

New home prices have increased dramatically in recent years: the median price amounted to \$72,700 in 1978. The strength of the housing market has been such that builders have emphasized the construction of higher priced homes and apartments. Relatively few units were available below \$40,000. Prices of existing units of all types have also increased substantially. This situation has placed significant burdens on lower income families who traditionally have acquired minimum priced homes.

Furthermore, most of California's low-income families are renters, faced currently with low vacancy rates and rising rents. It is estimated that up to 1,000,000 such households can reasonably afford a monthly rent of no more than \$150. Only 600,000 units are available at this rent, however, and few of these are vacant and in decent condition.

A State program should therefore be enacted to stimulate and assist in the production of housing for both low-income renters and potential homeowners. This budget reserves \$100 million for such a program. The Administration will work closely with members of the Legislature to determine the appropriate form and direction of the program.





Legislative, Judicial, and Executive



State and Consumer Services



Business and Transportation Agency



Resources



Health and Welfare



Education

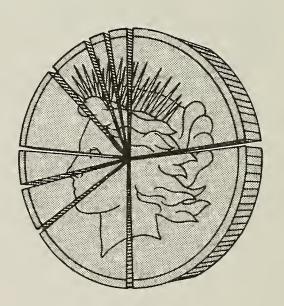


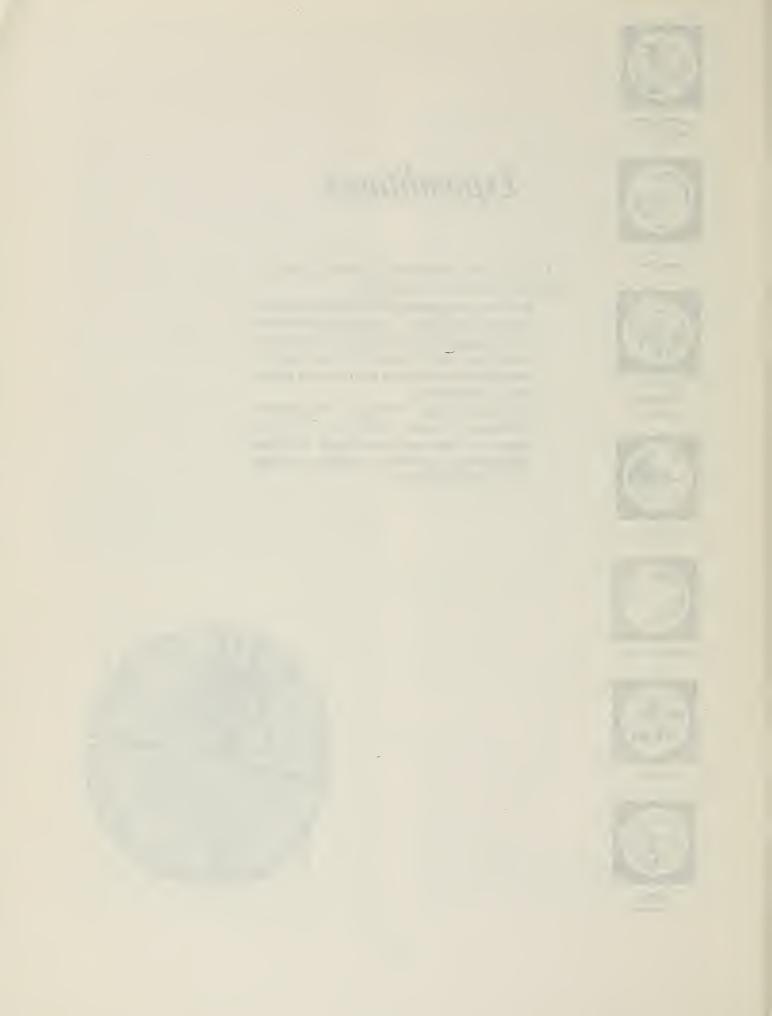
General Government

### **Expenditures**

This year, the expenditure portion of the "A" Page write-ups is in two parts.

- 1. Buff colored pages for "Reductions in Low Priority Activities", pages A 21 to A 40. These pages detail the reductions that have been made as a response to the people's mandate to hold down the cost and size of State government.
- 2. White pages for "Changes and Accomplishments", pages A41 to A79. These pages are the more traditional write-ups highlighting significant budget changes and accomplishments.







Legislative, Judicial, and Executive



State and Consumer Services



Business and Transportation Agency



Resources



Health and Welfare



Education



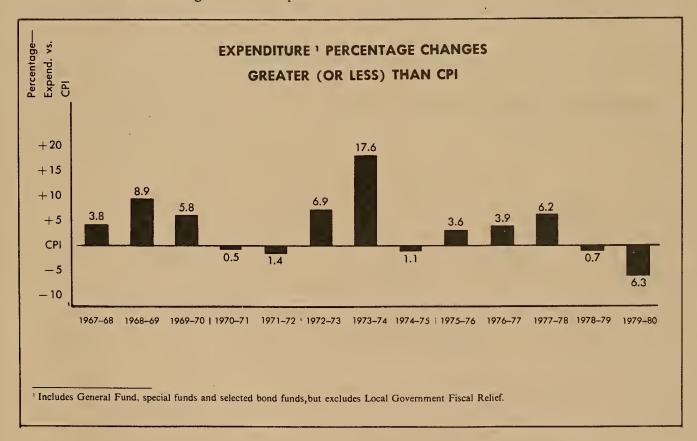
General Government

### Reductions in Low Priority Activities

On June 6, 1978, California voters by a 2 to 1 margin demanded a change from the upward growth in California government. This budget is a clear response to the people's mandate.

Over the years, California's population and the size of State Government have grown substantially. Tax revenues have also increased as the source of State funding maintained pace. Fueled by population growth, inflation and the continuing demand for more and better services, annual expenditures have generally increased on the average of 9–12 percent—substantially more than the cost-of-living.

The chart below shows the percentage that State expenditures have changed more (or less) than the California Consumer Price Index.



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The number of State employees required to supervise and administer the multitude of State funded or administered programs and activities has also grown. The percentage increase in employees has generally exceeded the relative growth in the State's population by a substantial margin, as illustrated in the following chart.

This upward spiral of State Government expenditures has come to an abrupt end with Proposition 13. Almost immediately, the 1978–79 Governor's Budget was reduced by \$1.3 billion.

The 1979–80 proposed budget intensifies the thrust to achieve the maximum use of the public tax dollar and to hold down the costs of State Government. Difficult decisions have been made and are reflected in eliminations and reductions of programs and activities of low priority. As a result, the following has occurred.

The 1979-80 General Fund Budget is \$2.4 billion less than what it would have

been under business as usual in the pre-Proposition 13 environment.

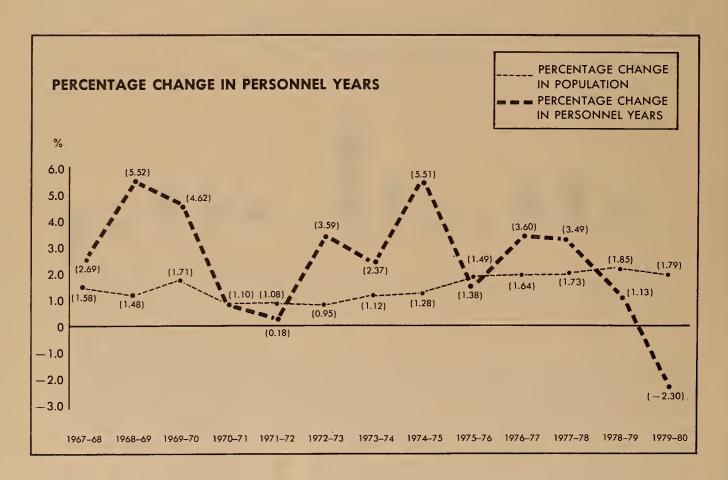
Total expenditures have been held down to a percentage increase of less than one percent—more than six percent below the expected rate of inflation.

More than sixty boards, commissions and activities have been eliminated.

Over 5,000 personnel years have been eliminated—the first time a decrease has occurred in at least 30 years.

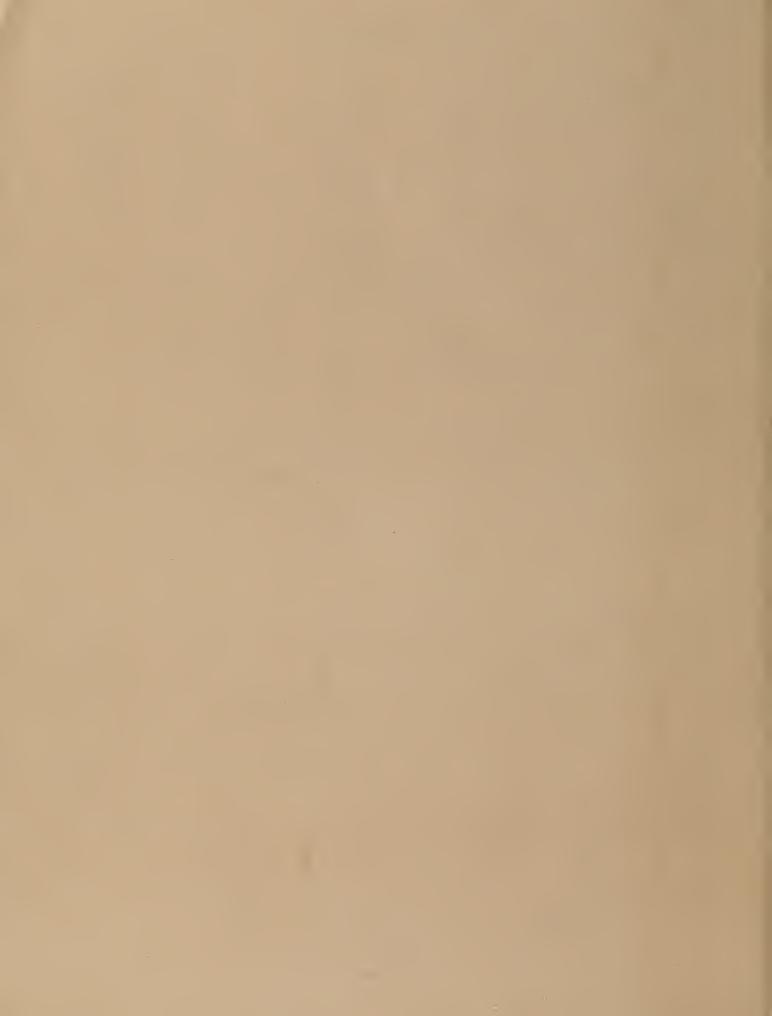
All of these actions result from a review of activities in order to increase productivity, economy and efficiency while continuing to meet the public's needs.

The most significant actions to hold down the cost and size of State Government are discussed in more detail in the following pages by major program areas. Following is a brief summary of personnel years and dollar reductions.



### SUMMARY OF 1979-80 REDUCTIONS IN LOW PRIORITY ACTIVITIES

	Personnel	
	Years	Amount
Legislative, Judicial, Executive	-362.9	-\$8,977,355
State and Consumer Services	- 541.6	-20,152,771
Business and Transportation	-2,209.2	- 53,001,061
Resources	-1,459.4	-42,668,120
Health and Welfare	-562.9	-20,605,987
Education	-888.8	-299,708,259
General Government	-686.0	-18,098,016
Totals	-6,710.9	-\$463,211,569
General Fund	(-2,982.7)	(-355,261,829)
Special funds	(-2,024.3)	(-70,737,207)
Non-governmental cost funds	(-348.1)	(-13,758,929)
Federal funds	(-362.0)	(-8,051,893)
Other	(-984.8)	(-15,401,711)





### Legislative, Judicial, and Executive

(Reductions in Low Priority Activities)

In developing the Legislative, Judicial, and Executive programs for 1979–80, all activities were reviewed in order to increase productivity, economy, and efficiency, while continuing to provide the necessary services. Significant changes were as follows:

	Personnel years	Amount
Total Reductions	362.9	-\$8,977,355
General Fund	307.1	<i>−7,801,186</i>
Special Funds	–29	-531,058
Reimbursements	17	<i>-394,724</i>
Federal Funds	<i>-9.8</i>	-250,387

### **DEPARTMENT OF JUSTICE**

The Department will be reducing lower priority program activities in Legal Services, Law Enforcement, and Administration.

This reduction will equate to 100 positions and \$2,121,600. The Department will identify the specific positions to be reduced prior to Legislative subcommittee hearings on the 1979–80 budget.

	Personnel years	Amount
Total Reductions	100	-\$2,121,600

### **BOARD OF EQUALIZATION**

The Board of Equalization's 1979–80 budget proposes a reduction of \$782,001 and 50 positions. These reductions are proposed in lower priority areas and in areas where alternate methods can be implemented to process the workload.

P	ersonnel years	Amount
Totals Reductions	50	-\$782,001

### COMMISSION ON VOTING MACHINES AND VOTE TABULATING DEVICES

In order to reduce the proliferation of State Government, it is proposed that this Commission be eliminated and the responsibilities of the Commission be assumed by the Secretary of State. Legislation to accomplish this will be proposed.

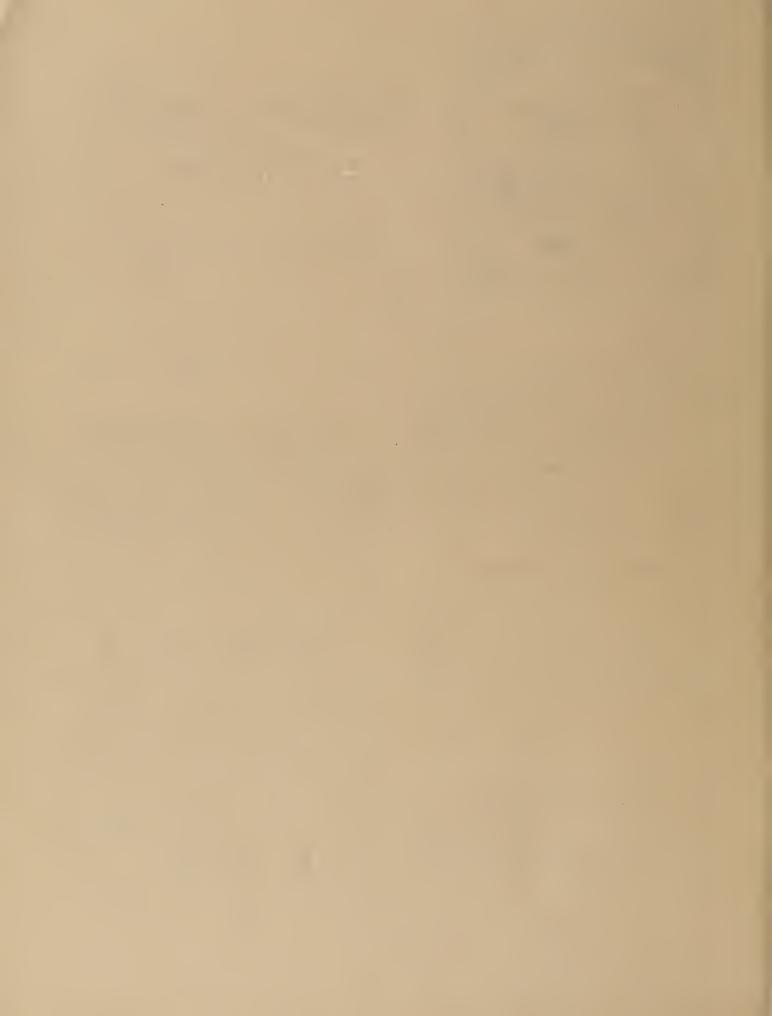
4	Personnel years	Amount
Total Reductions		-\$21,000

### OTHER LEGISLATIVE, JUDICIAL AND EXECUTIVE

In addition to the significant reductions discussed above, the departments, boards, and commission within the Legislative, Judicial and Executive area also made permanent reductions in 1979–80 of 106.4 person-years and —\$5,695,554 as a result economies initiated in the current year.

A variety of other low priority activities were identified by these departments, boards, and commissions in the amount of \$357,200 and 13.8 person-years. These amounts have been eliminated from the 1979–80 budget.

	Personnel years	Amount
Total Peductions	_ 212 9	_ \$6,052,754





# State and Consumer Services

(Reductions in Low Priority Activities)

In developing the State and Consumer Services programs for 1979–80, all activities were reviewed in order to increase productivity, economy, and efficiency while continuing to provide essential services to the other agencies of state government as well as the general public. Significant changes were as follows:

	Personnel years	Amount
Total Reductions	541.6	-\$20,152,771
General Fund	165.9	-5,307,109
Special Funds	108.2	-3,970,602
Non-governmental Cost Funds .		- 10,790,060
Reimbursements	–3	-85,000

### **CONSUMER AFFAIRS**

The 1979-80 budget for the Department of Consumer Affairs proposes the abolishment or phasing out of 15 professional licensing boards or major programs within boards including: the Board of Behavioral Science Examiner's Licensing Program for Social Workers, the Cemetery Board, the Tax Preparers Program, the Board of Architectural Examiners, the Board of Registered Construction Inspectors, the Board of Registration for Geologists and Geophysicists, the Board of Landscape Architects, the Board of Registration for Professional Engineers' Title Act Enforcement Program, the Structural Pest Control Board's program for maintaining files on inspections, the State Athletic Commission's licensing and regulation of professional wrestlers, Board of Cosmetology's student record program, the Board of Fabric Care, the Bureau of Home Furnishings' field inspection program,

the Nurses' Registry and the Certified Shorthand Reporters Board.

Five basic criteria were applied in reaching the decision to terminate these programs:

- 1. Consumers of the service regulated are sufficiently sophisticated and knowledgeable to protect their own interests without State intervention.
- 2. The public's health/safety/welfare is not significantly affected by the practice of the "profession" being regulated.
- 3. Viable alternatives to licensure and regulation by the State exist.
- 4. The licensing and regulatory activities involved have been ineffective in protecting the public's health/safety/welfare and/or ensuring quality services.
- 5. The licensing and regulatory activities involved have unduly inhibited competition and/or restricted entry into and mobility within the "profession."

The abolition of these 15 programs will eliminate unnecessary and unproductive State regulation of approximately 78,000 professionals while allowing expanded professional opportunities for thousands more. Estimated savings in the 1979–80 fiscal year from the phased out elimination of these programs are projected at \$1,674,214. Legislation will be proposed to accomplish the statutory abolishment of these programs.

In addition, the 1979-80 budget calls for a merger of the Barber and Cosmetology Boards and an elimination, through legislation, of the Boards' licensing and regulatory activities which do not directly impact upon the health and safety of the consumer. Legislation will be proposed for these changes which will eliminate unnecessary government intrusion into the activities of approximately 210,000 barbers and cosmetologists while opening up professional opportunities for thousands more.

Legislation will also be proposed to eliminate the Consumer Advisory Council as well as the Advisory Boards to the Bureaus of Home Furnishings, Employment Agencies, Collection and Investigative Services, Repair Services, and Automotive Repair at a savings of \$32,950 to special fund accounts and \$31,830 to the General Fund. However, the Director of the Department as well as individual Bureau Chiefs will be required to consult on a regular basis with a wide array of licensees and consumers.

Finally the building and maintenance program is being reduced by \$30,000 and several functions within the Division of Consumer Services are also being reduced or eliminated including: advertising substantiation, research and development, and legal services at savings of \$129,452 and \$29,438 to the General Fund and Special Funds respectively.

 Personnel years
 Amount

 Total Reductions
 -70.2
 -\$1,927,884

### **GENERAL SERVICES**

To reduce lower priority program expenditures, yet still provide State agencies with adequate support services, the Department will adjust the level of janitorial services provided to State offices resulting in a reduction of 78 positions in the Buildings and Grounds Division.

 Personnel years
 Amount

 Total Reductions
 -78
 -\$899,844

# STATE AND CONSUMER SERVICES AGENCY—ALL OTHER DEPARTMENTS

In addition to the significant budget adjustments which are detailed above by major program areas, the following represents a brief summary of the remaining personnel and dollar reductions for the State and Consumer Services Agency.

As a result of economies initiated in the current year, 357.7 personnel-years and \$15.7 million permanent reductions have been made in the 1979-80 budget. In addition, \$1.6 million and 35.7 person-years have been reduced from the various budgets in an effort to eliminate low priority programs and activities.

 Personnel years
 Amount

 Total Reductions
 —393.4
 —\$17,325,043



# Business and Transportation Agency

### (Reductions in Low Priority Activities)

In developing the Business and Transportation Agency programs for 1979–80, all activities were reviewed in order to increase productivity, economy, and efficiency, while continuing to provide necessary services.

1	Personnel years	Amount
Total Reductions	2,209.3	-\$53,001,061
General Fund	197.4	-3,572,524
Special Funds	1,556.5	-47,254,385
Nongovernmental Cost Funds	1.4	- <i>46,502</i>
Other	454	-2,127,650

### ALCOHOLIC BEVERAGE CONTROL

Reductions of low-priority activities include 15 positions in the licensing program and 30 positions in the compliance program. These reductions total \$585,000.

In addition, various other departmental lowpriority reductions result in savings of 7 positions and \$250,714.

Pc	ersonnel years	Amount
Total Reductions	_52	-835,714

### BANKING

The State Banking Department will restructure its Bank and Trust examination program to increase its effectiveness by requesting legislation to provide greater management discretion in the examination cycle. This will allow the examination process to be accomplished with 26.4 less positions at a savings of \$131,853.

Other economies in the department will eliminate an additional 11.2 positions for a savings of \$124.000.

F.	Personnel years	Amount
Total Reductions	37.6	-\$255,853

### **CORPORATIONS**

Significant proposed adjustments to the Department of Corporations include:

- 1. The elimination of the licensing of broker-dealers resulting in the savings of 13 positions and \$157,000. This will require legislation.
- 2. The extension of the examination cycle of industrial loan companies to 48 months saving 2 positions and \$32,000 per year.
- 3. The elimination of examinations of personal property brokers resulting in a savings of 13 positions and \$219,000.
- 4. The elimination of licensing of solicitors and solicitor firms saving 2.5 positions and \$14,000. This will require legislation.
- 5. The closing of the San Diego office resulting in a reduction of 3.7 positions and a savings of \$67,000.
- 6. Various reductions department-wide will result in savings of 35.9 positions and \$687,000.

$P\epsilon$	ersonnel years	Amount
Total Reductions	<b> 70.1</b>	-\$1,166,000

# HOUSING AND COMMUNITY DEVELOPMENT

The Department of Housing and Community Development proposes to transfer to local government, along with the fees collected, the responsibility to inspect mobile home parks and accessory structures. This action which will require legislation results in a reduction of 45 positions and \$662,000.

In addition, legislation will be sponsored to abolish the Commission of Housing and Community Development and transfer its duties to the Director of the Department of Housing and Community Development for a savings of \$12,500. Departmental savings from a review of lower priority programs result in the elimination of another 22 positions and \$537,000.

F	Personnel years	Amount
Total Reductions	67	-\$1,211,000

### **INSURANCE**

The Department has reduced its personal services and operating expense budget 20 personnel years and \$557,982 on the basis of a review of low priority programs. Additionally, various activities were reduced in 1979–80 including the elimination of licensing exclusive agents and reduced field examinations of insurance companies. These reductions include 42 positions and \$669,790.

	Personnel years	Amount
Total Reductions	62	-\$1,227,772

### **REAL ESTATE**

Significant proposed adjustments in the Department of Real Estate will be as follows:

- 1. The Department will sponsor legislation which will eliminate the examination and licensing of real estate salespersons with a savings of 40 positions and \$332,000.
- 2. The Department will sponsor legislation to eliminate public subdivision reports within cities at a savings of 6.5 positions and \$115,000.
- 3. The Department will sponsor legislation to eliminate public subdivision reports on less than 11 lots at a savings of 3 positions and \$38,200.
- 4. The Department will reduce its education research activities by \$123,000.

In addition, other changes will be undertaken to eliminate 25.5 positions and \$721,000.

	Personnel years	Amount
Total Reductions	75.5	-\$1,329,000

### SAVINGS AND LOAN

The Department of Savings and Loan will employ greater management discretion in the examination cycle and in its Facilities Licensing responsibility. This will allow the department to reduce the staff by 27 positions at a savings of \$272,000 in 1979–80. Other savings provide for a reduction of 10 positions and \$252,000.

	Personnel years	Amount
Total Reductions	37	- \$524,000

### **TRANSPORTATION**

The Department of Transportation has reduced its personal services and operating expenses by 350 positions and \$14,500,000 as a result of a review of low priority programs.

The Department will sponsor legislation to reduce construction of grade separation projects on local roads recognizing a higher priority exists for expenditures on other traffic safety projects; savings include 6 positions and \$7,500,000.

Toll bridge collection is proposed for elimination between the hours of 10 p.m. and 6 a.m. for a savings of 55 positions and \$1,500,000.

Planning assistance to various regional transportation planning agencies is reduced for a savings of 17 positions and \$612,500.

The purchase of abandoned railroad rights-ofway will be discontinued in the budget year for a savings of 1 position and \$2,682,000.

Other savings provide for a reduction of 3.2 positions and \$1,201,000.

Pé	ersonnel years	Amount
Total Reductions	-432.2	-\$27,995,500

### CALIFORNIA HIGHWAY PATROL

Significant reductions in the Department of the California Highway Patrol's budget are:

1) The elimination of the Vehicle Noise Reduction and Control Program which will require legislation. Savings are to be 18.1 positions and \$224,689.

- 2) The elimination of the Approval and Certification of Devices Program which will require legislation. Savings are to be 3 positions and \$45,612.
- 3) The elimination of the Standards and Conformity Control Program which will require legislation. Savings are to be 11.3 positions and \$168,879.
- 4) The reduction of the Vehicle Ownership Security Program. Savings are to be 19 positions and \$466,493.
- 5) The elimination of the Abandoned Vehicle Abatement Program which will require legislation. Savings are to be 10.5 positions and \$1,539,237.
- 6) The elimination of departmental administration of the county-contracted School Crossing Guard Program which will require legislation. Savings are to be 400 positions and \$1,250,000.
- 7) The elimination of the Management Development Program. Savings are to be 5.7 positions and \$179,218.

In addition, various low priority reductions department-wide will result in savings of 200.8 positions and \$6,807,823.

 Personnel years
 Amount

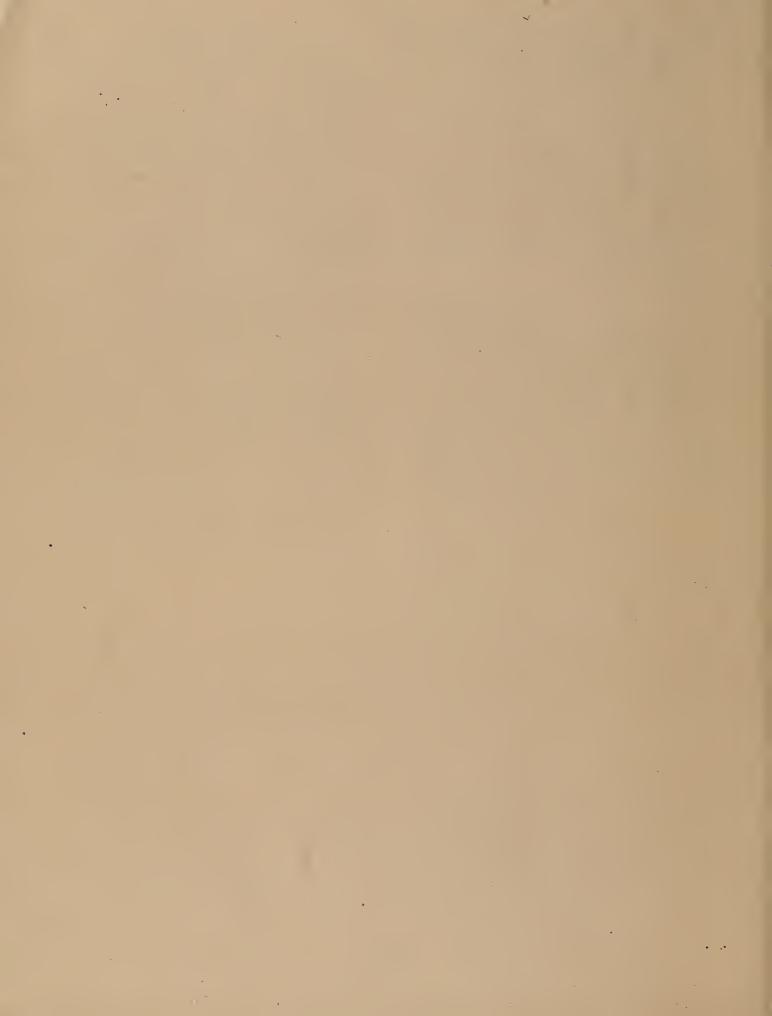
 Total Reductions
 -668.4
 -\$10,681,951

### **MOTOR VEHICLES**

The Department of Motor Vehicles will sponsor legislation to accomplish the following reductions:

- 1) The elimination of the Unpaid Parking Violation Program. This will result in a savings of 93.3 positions and \$686,698.
- 2) The elimination of Exempt Vehicle Registration. This will result in savings of 17 positions and \$110,017.
- 3) The issuance of single license plates. This will result in a savings of \$325,950.
- 4) The four year extension of driver's licenses. This will result in savings of 283.3 positions and \$1,595,248.
- 5) The increase of the threshold of reportable accidents to \$1,000. This will result in savings of 89.7 positions and \$591,126.
- 6) The elimination of the licensing of salespersons. This will result in savings of 26 positions and \$160,810.

In addition, various low priority reductions departmentwide will result in savings of 198 positions and \$4,304,422.





# Resources

(Reductions in Low Priority Activities)

In developing the resources programs for 1979–80, all activities were reviewed in order to increase productivity, economy and efficiency while continuing to enhance California's environment. Significant changes eliminating lower priority activities were as follows:

	Personnel years	Amount
Total Reductions	1,459.4	-\$42,668,120
General Funds	572.2	- 16,173,795
Special funds	– 291	-10,859,556
Non-governmental cost funds		-2,724,959
Federal funds	34.8	- 702,744
Other	480.8	-12.207.066

# ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

The Energy Commission, after close scrutiny of its administrative and management activities, has determined that a reduction of 12.6 person-years and a savings of \$1,205,399 could be realized without a reduction in the efficiency and quality of service provided in administering the Commission's programs.

The Commission will also be reducing its regulatory and planning activities by 14.5 personyears and \$982,405 to reflect reductions in low priority activities and a decrease in reimbursable EIR workload since the power plant siting process will become the functional equivalent of the previously required Environmental Impact Reports beginning in January of 1979.

Finally, the Commission's conservation program will be reduced by 32.4 person-years and \$1,344,672 as a result of a decrease in conservation standards development, as the commission moves into the implementation phase of these activities, and a reduction in low priority conservation studies and projects.

	Personnel years	Amount
Total Reductions	59.5	-\$3,532,476

### **CALIFORNIA CONSERVATION CORPS**

In order to reduce government costs, the 1979-80 budget proposes to not open two of the eight new base centers scheduled for opening in the spring of 1979. This would reduce approximately \$1,512,000 General Fund, and 26 base center positions from base center operations.

Pe	rsonnel years	Amount
Total Reductions	-26	-\$1,512,000

### **FORESTRY**

By careful review of fire protection needs, it was determined that a few direct fire protection operations could be reduced in addition to various support and fire prevention activities while continuing to maintain an adequate level of service. The 1979–80 budget for the Department of Forestry reflect these lower priority program reductions of \$2,600,800 and 89 positions for various fire protection and fire prevention activity in the Watershed and Fire Protection Program.

In addition, in reviewing contractual fire protection services provided local governments it was determined that where virtually all the Department of Forestry employees were performing structual fire protection rather than their prime mission of wildland fire protection, the county should provide its own fire protection rather than continue to purchase it from the State. The 1979–80 budget reflects a reduction of 470.5 structural fire fighter positions and a reduction of \$10,576,737 in reimbursements in the fire protection-local government contract program for termination of the Orange County contract. With the termination of this contract, State responsibility lands will be protected by

Orange county, and will require a reduction of 47.2 wildland fire fighter positions and \$431,900 General Fund. In addition 3 support related positions will be reduced with the termination of this contract. The General Fund savings is offset by need to replace some \$366,931 of lost reimbursement support to continuing overhead costs and one-time potential relocation costs of \$1,000,000 for those employees who may choose to stay with the Department and move to other locations rather than transfer to Orange County.

 Personnel years
 Amount

 Total Reductions
 -609.7
 -\$12,242,506

### SEISMIC SAFETY COMMISSION

In order to streamline governmental activities and eliminate potential duplication between government agencies, legislation will be proposed to abolish the Seismic Safety Commission effective January 1, 1980. This action will leave the Department of Conservation as the sole agency responsible for earthquake related studies and activities.

 Personnel years
 Amount

 Total Reductions
 -9.8
 -\$193,125

### FISH AND GAME

In order to achieve cost savings, this department will be reducing lower priority services previously provided to hunter and fisherpersons. Two of the department's older fish hatcheries are proposed for elimination as are several lower priority management and research efforts in the marine and trout program areas. In addition, the older research vessel, Alaska, will be decommissioned and, when needed for ongoing research purposes, contract vessels will be rented.

 Personnel years
 Amount

 Total Reductions
 -106.5
 -\$3,268,600

### **PARKS AND RECREATION**

The Department of Parks and Recreation will be reducing lower priority services in its state-wide headquarters and transferring of operations of several parks to the National Park Service in 1979–80. The resulting personnel reductions will be administered so that existing staff will have maximum opportunity to relocate to the 32 park units which will have expanded facilities or which will be opening for the first time in 1979–80.

 Personnel years
 Amount

 Total Reductions
 - 105
 - \$2,643,355

### WATER RESOURCES

This department will be reducing lower priority programs in the planning area primarily by deferring or terminating water management studies and data collection efforts. In addition, flood management activities will be curtailed in areas least likely to be flooded. Departmental overhead activities will also be reduced in order to achieve additional savings.

 Personnel years
 Amount

 Total Reductions
 -71.8
 -\$2,420,200

### WATER RESOURCES CONTROL BOARD

After intense review, several low priority water quality related activities have been identified for reduction. The impact of the reduction of these activities on the quality of the State's waters will be minor. Review and permitting activities related to smaller dischargers will be curtailed while concentration on larger more significant dischargers will continue. Reduced support by the Federal Government has resulted in elimination of low priority activities in the waste treatment plant construction coordination area. Legislation will be proposed to eliminate duplication with the Department of Health Services in the liquid waste tanks licensing program so the Board can reduce 4.2 personnel years and \$126,000.

 Personnel years
 Amount

 Total Reductions
 -46.5
 -\$1,103,716

### OTHER RESOURCE REDUCTIONS

In addition to the significant reductions discussed above, the Resources Agency, departments, boards, and commissions also, as a result of economies initiated in the current year, have made permanent reductions of 393.3 personyears and \$13,285,114 in the 1979–80 budget. In addition a variety of other low priority activities were identified for reduction by these departments, boards, and commissions in the amount of \$2,467,028 and 31.3 person-years.



# Health and Welfare

(Reductions in Low Priority Activities)

The following table summarizes the reductions proposed for 1979–80 in the Health and Welfare programs to meet the people's mandate for reduced governmental expenditures.

All departments, boards, and commissions were asked to evaluate their existing programs to see if positions and expenditures could be reduced while the quality and quantity of essential services continue to be delivered. Significant changes are as follows:

	Personnel years	Amount
Total Reductions	562.9	-\$20,605,987
General Fund	342.6	-15,226,431
Special funds	3	- 191,822
Federal funds	217.3	-5.187.734

### **Department of Health Services**

Economies in State-funded programs have made it possible for the Department of Health Services to make reductions of 165 positions and \$4.9 million in the current year. In the main, these savings have not caused unacceptable interruptions in essential services and are continued into the budget year. In addition, in reviewing its priorities, the Department identified lower priority activities in the amount of 0.6 million and 43 positions that can be reduced in the budget year with minimum impact on program performance.

	Personnel years	Amount
Total Reductions	208	- \$5,476,286

### **Department of Social Services**

The Department is evaluating its existing programs in order to identify lower priority services. These less essential activities will be eliminated in the current year and the savings continued into the budget year for an annual reduction of \$3.4 million and 114.6 positions. Another 10 positions are proposed for elimination from the demonstration programs in the budget year for a savings of \$.2 million.

Pe.	rsonnel years	Amount
Total Reductions	- 124.6	\$3,623,450

### **Department of Corrections**

In order to achieve statewide economies and increase productivity, the Department of Corrections made reductions of \$2,692,000 and 16.5 positions in the current year. These reductions will be continued into the budget year. In addition, by carefully analyzing current functions and identifying lower-priority activities, the Department has identified 50 positions and \$1,099,122 which are proposed for elimination while maintaining the quality and quantity of essential services.

P	ersonnel years	Amount
Total Reductions	66.5	-\$3,791,122

### **Department of Youth Authority**

To achieve statewide economies, the Department made reductions of 31.8 positions and \$1,-265,000 in the current year. These reductions will be continued into the budget year. In addition, by revising lower-priority services in the budget year, the Department has been able to redirect 25 existing positions in order to expand the Intensive Treatment Program for Youth Authority wards.

I	Personnel years	Amount
Total Reductions	31.8	-\$1,265,000

### Other Health and Welfare Reductions

Although the reductions discussed above are the most significant, economies made by other departments within the Health and Welfare Agency make it possible to effect savings of 49 person-years and \$5,272,734 in the current year. These are permanent reductions which are reflected in the 1979–80 budget. Also, a number of other low priority activities were identified for reductions in the amount of \$1,177,395 and 83 person-years.

	Personnel years	Amount
Total Reductions	132	\$6,450,129



# **Education**

(Reductions in Low Priority Activities)

Education programs include those whose purpose is to teach elementary and secondary students (K-12) the basic skills required to function as productive adults. In addition, the State supports many institutions of Higher Learning (Postsecondary Education) whose purpose is to train students in the various professions, grant baccalaureate degrees, occupational training and adult education. The passage of Proposition 13 especially affected the funding from local property tax sources for K-12 and the Community Colleges. Programs were examined especially those to be expanded under the provisions of AB 65 and adjustments have been proposed to make funds available for the Local Government Relief bill which includes supplementary funds for K-12 and the Community Colleges. Significant changes were as follows:

	Personnel	
K-12	Years	Amount
Total Reductions	-74.8	-\$254,998,811
General Fund	-53.2	- 247.471,403
Special Funds	-	- 7,000,000
Nongovernmental Cost Funds	-1.6	<i>— 197,408</i>
Other	-20	-330,000
Higher Education		
Total Reductions	-814	- \$44,709,448
General Fund	-811.5	-44.608,448
Special Funds	-2.5	- 101,000

### **EDUCATION**

In the support budget of the department, it is proposed that reductions of 74.8 positions representing \$2,021,608 from all funds be achieved. Of these positions 24.8 will be eliminated in the current year, and an additional 50 positions in

the budget year including 30 general funded positions representing a savings of \$495,000. These positions will generally represent those which are vacant as a result of the Governor's hiring freeze.

The major savings in the local assistance budget are proposed in programs which were included in AB 65 (Chapter 894, Statutes of 1977). The 1979–80 Budget proposes to reduce the statutory appropriation through in-lieu appropriations for the following programs:

- 1. The School Improvement Program is reduced by \$38,530,000, resulting in a budget year level of \$115,207,000, which will maintain the statutory level of per-child allowances for all current year program participants.
- 2. The *Economic Impact Aid Program* is reduced by \$65,527,118 from the statutory appropriation level of \$189,579,000 in order to maintain the current year funding level for the combined Educationally Disadvantaged Youth and Bilingual/Bicultural programs.
- 3. School apportionments were reduced by \$127,274,539 from the statutory level of support provided by the formula allocations established in AB 65. The Budget reduction establishes a General Fund base equal to current year apportionments. This reduction is offset by a 6% cost-of-living adjustment for apportionments shown in the A page section "Changes and Accomplishments. The total for apportionments in the budget year is \$2,737,827,565.

- 4. For the Urban Impact Aid Program AB 65 contained a statutory appropriation. Chapter 292, Statutes of 1978 (SB 154) and the Budget Act of 1978 reduced the current year AB 65 appropriation to \$44,065,800. The 1979–80 budget proposes to maintain the current year funding level and thereby provide a \$8,186,200 reduction in funding compared to the 1979–80 AB 65 appropriation.
- 5. The 1979-80 Budget reduces the School Staff Development and Resource Centers program by \$655,500 from the AB 65 statutory appropriation, resulting in a budget year level of \$945,000.

In addition to these AB 65 reductions, the budget proposes a \$7 million transfer from the Driver Training Penalty Assessment Fund surplus to the General Fund.

The State Instructional Materials Fund receives an annual General Fund transfer based on the number of students in kindergarten and grades 1 through 8 times a statutory appropriation amount per-student. The current year funding level of \$38,351,080 is proposed for continuance in the budget year. This maintenance of funding results in a \$5,803,846 reduction in funding when compared to the statutorily authorized level.

 Personnel years
 Amount

 Total Reductions
 -74.8
 -\$254,998,811

### HIGHER EDUCATION

### UNIVERSITY OF CALIFORNIA

An unidentified savings of \$7.7 million has been included in the University's budget to assist in financing the higher priority needs of the State. This reduction will be identified by the University from lower priority programs and expenditures. The budget also continues the reductions of \$15.4 million first made in 1978–79. This represents a reduction of 409 Personnel Years.

# CALIFORNIA STATE UNIVERSITY AND COLLEGES

The 1979–80 budget reflects a reduction in the form of \$6,919,343 unidentified savings. To provide the California State University and Colleges with maximum flexibility in meeting this requirement, no specific program reductions are identified at this time. The Trustees have formed separate task forces to examine several areas for possible reductions. The task forces will evaluate academic programs, regional consolidation, administration, and other cost activities to arrive at specific recommendations. Recommendations will be delivered to the Trustees no later than May 1979. The 1979–80 budget also continues the budgeted reductions of \$14,050,000 which represents 390.1 personnel years.

1	Personnel years	Amount
Total Reductions	390.1	-\$20,969,343

# BOARD OF GOVERNORS, CALIFORNIA COMMUNITY COLLEGES

As a result of limited funds, capital outlay is being proposed at a reduced level, which in turn reduces the workload of the Facilities Planning Unit in the Chancellor's Office. Therefore it is proposed to eliminate three positions and the associated funding (\$102,305) in that unit.

The Chancellor's Office also reduced \$27,737 in operating expenses and equipment and one position and \$25,639 in personnel services in both current and budget years.

	Personnel years	Amount
Total Reductions 1	4	-\$155,681
Excludes apportionments.		

### OTHER EDUCATION REDUCTIONS

There are a number of small commissions and activities included under education. These include Hastings College of Law, the California Maritime Academy, California Postsecondary Education Commission, Student Aid Commission and Commission for Teacher Preparation and Licensing. Reductions have been identified which will not affect their ability to carry out their responsibilities.

	Personnel years	Amount
Total Reductions	10.9	- \$484 424



# General Government

(Reductions in Low Priority Activities)

In developing the General Government programs for 1979-80, all activities were reviewed in order to increase productivity, economy and efficiency while continuing to provide the necessary services. Significant changes were as follows:

	Personnel years	Amount
Total Reductions	686	-\$18,098,016
General Fund		-15,100,933
Special fund	34.1	828,784
Federal funds	100.1	-1,911,028
Reimbursements	– 10	-257.271

### AGRICULTURAL LABOR RELATIONS BOARD

In 1979–80, the budget for the Agricultural Labor Relations Board proposes a reduction of 20.3 positions and \$825,000. This reduction is to be accomplished in part by centralizing a portion of the General Counsel's field operations in the headquarters office and generally by effecting greater efficiency and economies in all operations.

	Personnel years	Amount
Total Reductions	20.3	-\$825,000

### **DEPARTMENT OF FINANCE**

The Department of Finance will be making reductions in the areas of program evaluation studies, fiscal management audits, demographic research and general administration. Requests for fiscal audits and program effectiveness studies will be screened and only the highest priority ones will be undertaken.

Pe	rsonnel years	Amount
Total Reductions	-28.4	-\$769,565

### DEPARTMENT OF INDUSTRIAL RELATIONS

The Department of Industrial Relations will be eliminating 132 positions from lower priority program activities, including various endeavors in the following areas: OSHA; mining and tunneling, pressure vessel inspections; unloader regulation; conciliation; and administration. This reduction will result in annual savings of \$3,610,127. Legislation will be proposed to implement the reductions in those programs where required.

	Personnel years	Amount
Total Reductions	132 <b>•</b>	-\$3,610,127

### MILITARY DEPARTMENT

The Department will be reducing lower priority activities at various military installations. These personnel reductions will not impair the Department's ability to carry out its mission to support the Constitution, and to protect life and property during periods of civil emergency and natural disaster.

Pe	ersonnel years	Amount
Total Reductions	75.2	-\$1,520,788

### **PUBLIC UTILITIES COMMISSION**

In reviewing the role of government in providing for the equitable and orderly operation of California's utilities, the Commission has identified several instances in which other levels of government are duplicating the efforts of the Commission. In addition, the Commission has identified market segments in which the market-place environment provides sufficient safeguards for the public and the utilities, thereby

reducing the need for government intervention. These findings have precipitated a realignment of priorities permitting a staff reduction of 71.5 positions. Legislation will be proposed in those programs where required.

 Personnel years
 Amount

 Total Reductions
 -71.5
 -\$1,956,565

# CALIFORNIA INFORMATION SYSTEMS IMPLEMENTATION COMMITTEE

The California Information Systems Implementation Committee will not be funded in Fiscal Year 1979–80. The basic role of the committee is to review and make recommendations on the State's use of electronic data processing. However, the responsibilities for the management and utilization of EDP are being effectively carried out by other departments and the Office of the Legislative Analyst. A review of the State's present expenditure priorities indicates that other State programs provide greater benefits to the California taxpayer than does this one. Accordingly, it is believed that the purposes of this committee can be accomplished within existing programs at no additional cost.

Pe	ersonnel years	Amount
Total Reductions	<b>-1</b>	- \$46.422

### STATE PUBLIC DEFENDER

As a result of careful review by the administration, the budget of the State Public Defender will be reduced by 28.5 positions and \$832,957. This elimination of all vacant positions will not deprive any eligible indigent appellant of court appointed counsel.

Pe	ersonnel years	Amount
Total Reductions	-28.5	- \$832,957

## OTHER GENERAL GOVERNMENT REDUCTIONS

In addition to the significant reductions discussed above, the Departments, Boards and Commissions within the General Government area, as a result of economies initiated in the current year, have made permanent reductions of 264.4 person-years and \$8,226,400 in the 1979 –80 budget.

A variety of other low priority activities were identified for reduction by these departments, boards and commissions in the amount of \$310,-192 and 64.7 person years.

	Personnel years	Amount
Total Reductions	329.1	- \$8,536,592



# Legislative, Judicial, and Executive

(Changes and Accomplishments)

The programs within this area include the Legislature, the Court System, and most Constitutional Officers.

### JUDICIAL

Article VI of the Constitution creates the Judicial Council to administer the State's judicial system and creates the Courts of Appeal to exercise the judicial power of the State at the appellate level.

### Proposed Accomplishments

Legislation was enacted during the 1978 Legislative Session which created a mandatory arbitration program in the 12 largest counties and required the State to fund the local cost as a local mandate. The 1979–80 budget proposes \$2,500,000 for this purpose.

Funds in the amount of \$552,600 have been added to the 1979-80 Courts of Appeal special item "appointed counsel in criminal appeals" to accommodate the expected increase in the number of private attorneys appointed directly by the courts to represent indigent appellants.

### THE OFFICE OF EMPLOYEE RELATIONS

The Office of Employee Relations was established by Executive Order with an ongoing responsibility to improve personnel management and employer-employee relations within the State.

### Proposed Accomplishments

Legislation was enacted during the 1977 Legislative Session which established the State Employer-Employee Relations Act and increased the responsibilities of OER. The 1979–80 budget proposes to continue with General Funds 7.5 positions which were established in 1978–79 from Title II Federal Funds. The 1979–80 cost will be \$257,469 to handle the increased workload.

### DEPARTMENT OF JUSTICE

The Department of Justice, through the constitutional office of the Attorney General, is responsible for ensuring uniform interpretation and enforcement of laws and for representing the state in civil and criminal proceedings.

### Proposed Accomplishments

The Department of Justice is proceeding with its program of acquiring new computers and software packages to handle data collection, storage, and transmission on the California Law Enforcement Telecommunications System (CLETS) and the California Justice Information System (CJIS). The program, which involves five phases, began in 1977 and will be completed in 1981. Included in the 1979–80 budget is \$1,691,895 for 32.1 positions for the implementation phase of the program. The research, analysis, and procurement phases have

been completed. The evaluation phase, in 1980–81, will be the final step leading to project completion. The balance of the increases are related to miscellaneous workload increases throughout the department.

### CONTROLLER

The State Controller's Office provides sound fiscal control over the receipt and disbursement of public funds.

### Proposed Accomplishments

Due to workload increases, a net of 80.5 new positions were added to the Controller's budget. The majority of these positions are in the Fiscal Control Division, and are needed in order to maintain the Payroll System and perform various reimbursable field audits.

### **BOARD OF EQUALIZATION**

The Board of Equalization administers state and local business and property taxes, excise taxes, and various other business taxes and guides local property taxation.

### Proposed Accomplishments

An additional 69 positions and \$1,077,107 are proposed in the Board of Equalization's 1979–80

budget in order to maintain the current approved level of audit coverage in the Sales and Use Tax Program, register taxpayers, process tax returns and collect taxes receivable. The addition of these positions will provide an estimated revenue gain of \$5.6 million.

### SECRETARY OF STATE

The Secretary of State is the state's chief elections officer and is responsible for maintaining various records filed with the state.

### Proposed Accomplishments

Legislation enacted in 1978 requires the Secretary of State to provide for mailing the statewide ballot pamphlet which has heretofore been a county responsibility. This results in an additional state expenditure of \$1,367,000. In addition, claims received from counties for reimbursements pursuant to Chapter 704, Statutes 1975, will necessitate a \$450,000 increase.

Legislation enacted in 1976 and amended in 1977 changed the procedure for purging voter registration files. Reimbursements in the amount of \$592,712 for county costs resulting from these new procedures is included in the Secretary of State's budget.



# State and Consumer Services

(Changes and Accomplishments)

The State and Consumer Services Agency is the "conglomerate" agency of State government. The functions of the various departments within the Agency range from the providing of business services (General Services) and personnel management (Personnel Board) to the operation of a museum (Museum of Science and Industry). Other departments which operate under the Agency umbrella are as follows: Consumer Affairs, Veterans Affairs, Fire Marshal, Franchise Tax Board, Public Employees Retirement System, State Teachers Retirement System, and the Public Broadcasting Commission.

### **GENERAL SERVICES**

The Department of General Services is responsible for providing supportive services to other operating departments, and for increasing effectiveness and economy in the administration of State government by establishing and improving statewide standards and guidelines and by implementing constructive changes in governmental policies and procedures.

### Proposed Accomplishments

The Department's budget is being increased by 2.5 positions and \$1,393,100 to implement the Art in Public Buildings Program. In addition, to provide for increased efficiencies and savings on a statewide basis, 22.4 positions are added for the consolidation of additional building cleaning and maintenance workload in the

Buildings and Grounds Division.

Growth in the above service areas will be partially offset by the reduction of 5.3 positions and \$1,538,111 in savings generated at the State Printing Plant by introduction of labor saving equipment and inventory reductions.

### STATE PERSONNEL BOARD

The State Personnel Board is the State agency responsible for serving the personnel needs of State agencies in the improvement of personnel practices and procedures.

### Proposed Accomplishments

In an effort to continue to adapt the existing State personnel management system to meet the needs of a changing employer-employee relations environment, 6.8 positions and \$157,128 are proposed for a Labor Relations Unit to assist in meeting the administrative needs of collective bargaining.

### PUBLIC EMPLOYEES' RETIREMENT SYSTEM

The Public Employees' Retirement System provides a retirement, death benefit and health benefit program for public California employers and their employees.

### Proposed Accomplishments

To meet increased workload, 59.3 positions and \$945,000 were added to the following programs: Retirement—29.3 positions and

\$437,000; Health Benefits—4 positions and \$72,000; and administrative support functions—26 positions and \$436,000.

### **CONSUMER AFFAIRS**

The Department of Consumer Affairs overall objective is to protect and represent consumer rights and interests and at the same time ensure standards of high quality among the professions represented by the various boards and bureaus.

### Proposed Accomplishments

The 1979–80 budget proposes the addition of funds to continue programs currently funded by Title II grants for the following boards:

 Board of Medical Quality Assurance—the addition of \$290,000 and the continuation of 13 positions are proposed for the Medical Quality Review Committee's support staff.

 Board of Contractors—the addition of \$155,611 and 8 positions are proposed to fund the Construction Law Enforcement Program.

In addition, 31 positions and \$424,617 are being added to the Contractors' Board in the current and budget years to eliminate the backlog of consumer complaints and licensure applications.

### FRANCHISE TAX BOARD

The major activities of the Department are to administer the Personal Income Tax, Bank and Corporation Tax, and the Senior Citizens Property Tax Assistance laws in an equitable and effective manner.

### Proposed Accomplishments

The budget proposes to add \$1,924,000 in

1979-80 to fund 118.6 work years associated with workload increase in two tax programs, the Personal Income Tax and the Senior Citizens Property Tax Assistance Programs. The increase in workload is a result of the passage of AB 3802/Chapter 569, Statutes of 1978, which provided various tax relief benefits to the residents of California.

### **VETERANS AFFAIRS**

The Department of Veterans Affairs provides assistance to veterans and their dependents in obtaining rights and benefits to which they may be entitled, provides veterans with low interest home and farm loans, and maintains the Veterans Home.

### Proposed Accomplishments

Twenty-eight (28) limited term (June 30, 1979) positions are being continued and 28 positions are being added to the Cal Vet Loan Program at a total cost of \$990,000 in Bond funds to meet an anticipated increase in workload resulting from the passage of Proposition 1 and legislation which allows the Department to issue revenue bonds.

\$537,000 in Bond funds have been added to replace the Cal Vet Loan Program's existing Data Processing System. The proposed system will incorporate financial data into a single financial management information system.

\$595,000 in General Funds has also been added to purchase laundry equipment for the Veterans Home. Purchase of the new equipment will provide future annual savings of \$95,000 to the General Fund and provide better and more cost effective laundry services at the home.



# Business and Transportation Agency

(Changes and Accomplishments)

Every California resident and visitor benefits directly from the State's interest in (1) promoting a sound financial and business community while protecting the public from economic loss and illegal or unethical business practices and (2) providing efficient, rapid, and safe movement of people and goods. These two broad areas are the principal concerns of the Business and Transportation Agency.

## SECRETARY FOR BUSINESS AND TRANSPORTATION

The Office of the Secretary for Business and Transportation acts as a focal point for the interrelationship of the private sector, government regulatory agencies and the public interest on matters relating to economic development, housing, financial institutions and transportation.

### Proposed Accomplishments

In the budget year, consultant and professional services are increased \$50,000 to provide for a legislative coordinator in Washington, D.C. to monitor federal legislation which affects business and housing in California.

# HOUSING AND COMMUNITY DEVELOPMENT

The functions of the Department of Housing and Community Development continue to expand as a result of legislative activity. Through 1978–79, and into the next fiscal year primary

program emphasis will be on the development and implementation of housing element guidelines, operation of a farmworker housing grant program as well as rural and urban predevelopment loan programs to facilitate the production of low and moderate income housing.

### Proposed Accomplishments

The budget proposes an additional \$2,750,000 for predevelopment loans to increase the housing supply in California.

### **TRANSPORTATION**

The Department of Transportation's primary objective is a commitment to a balanced transportation system that considers all modes and is consistent with social, economic, and environmental objectives. The 1979–80 Budget is reflective of that objective and is consistent with 1979–80 State Transportation Improvement Program as approved by the California Transportation Commission.

### Proposed Accomplishments

The Mass Transportation Program has been augmented 46 personnel years and \$14,000,000 pursuant to urban policy priorities which direct increasing the efficiency of existing transportation facilities and reducing dependence of individual auto use. These increases include support for commuter and intercity rail services, increased allocations for fixed guideway projects, and the expansion of intermodal passenger transfer facilities.

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The Highway Transportation Program is increased by 93 personnel years and \$29,000,000 in the New Facility and Project Development elements to meet increased workload set forth in the State Transportation Improvement Program (STIP).

### CALIFORNIA HIGHWAY PATROL

The Department of the California Highway Patrol is responsible for assuring the safe, lawful, rapid, and economical use of the state highway system. The primary objectives are to minimize death, injury, and property loss from traffic accidents to minimize traffic delays, and to provide protection and assistance to the motoring public.

To meet these responsibilities, a support budget of more than \$230 million, along with capital outlay of \$3.2 million is proposed for the 1979/80 fiscal year.

### Proposed Accomplishments

The budget for 1979/80 reflects adjustments to match program benefits with program costs. The significant proposed adjustments will be as follows:

- 1. Additional staffing for communications centers. This will result in increases of 59.5 personnel years and \$702,325.
- 2. Continuing installation of the management information system. This will result in savings of 3 personnel years and a one-time increase of \$2,482,774.
- 3. Additional staffing for commercial vehicle safety inspections. This will result in increases of 3 personnel years and \$22,266.
- 4. Purchase of mobile radio extenders. This will result in a one-time increase of \$1,800,000 in state funds in the budget year and Federal funds of \$900,000 in the current year with an additional \$900,000 in the budget year for this purpose. These devices will provide traffic officers with the ability to communicate with dispatch centers when away from their vehicle, thus increasing the officer's efficiency as well as contributing to the officer's safety.

The Department's capital outlay budget includes funds for the construction of new area offices at Santa Cruz and Riverside; funds for the purchase of leased facilities at Chico, Banning and Mojave; and funds for

site acquisition and working drawings at Hollister-Gilroy.

In the performance of its duties, 14,295 miles of state highways and 83,704 miles of county roads are patrolled. It is estimated that over these roadways 129,000,000,000 motor vehicle miles will be traveled. The injury and death rate per 100 million motor vehicle miles of travel within departmental jurisdiction are anticipated to be respectively 97.7 and 2.8.

During the 1979 Legislative Session, the Department will sponsor legislation to provide for a radar speed enforcement program. Also the Department will sponsor legislation to make it easier for law enforcement officials to remove the drinking driver from the State's roadways.

### **MOTOR VEHICLES**

The Department of Motor Vehicles objectives are: 1) to protect public interest by identifying ownership through the process of vehicle registration, 2) to promote safety on highways by licensing and controlling drivers, 3) to provide public protection through vehicle-related occupational licensing, 4) to encourage motorists to maintain financial responsibility, and 5) to provide other services as required by statute.

To meet these objectives, a support budget of more than \$153 million, along with capital outlay of \$4.1 million, is proposed for the 1979/80 fiscal year.

### Proposed Accomplishments

The budget for 1979/80 reflects adjustments to match program benefits with program costs. The significant proposed adjustments will be as follows:

- 1. The purchase of the improved registration renewal processing equipment. This will result in one-time costs of \$848,486.
- 2. The replacement of two computer systems. This will result in one-time costs of \$244,-486.
- 3. The implementation of Chapter 658/78 relating to driver's license extensions. This will result in savings of 47.8 personnel years and \$556,846.
- 4. The implementation of Chapter 997/78 relating to financial responsibility. This will result in savings of 9.1 personnel years and \$296,000.

In addition, various program adjustments will result in increases of 6.4 personnel years and \$251,327.

The Department's proposed capital outlay budget includes funds for the construction of new offices at Compton, Oroville, Davis, Vallejo, and Victorville.

It is estimated that during the budget year the Department will register and collect fees on 18,756,900 vehicles and maintain the records of 15,508,000 existing drivers licenses, including the processing of 906,000 original licenses and 3,330,000 renewal licenses. These major workload indicators reflect an estimated 2.27 percent increase in vehicle registration and an estimated 2.05 percent increase in existing drivers licenses in the 1979–80 fiscal year over the current year.

### **TEALE DATA CENTER**

The Stephen P. Teale Consolidated Data Center was established in response to legislation which mandated the centralization of state com-

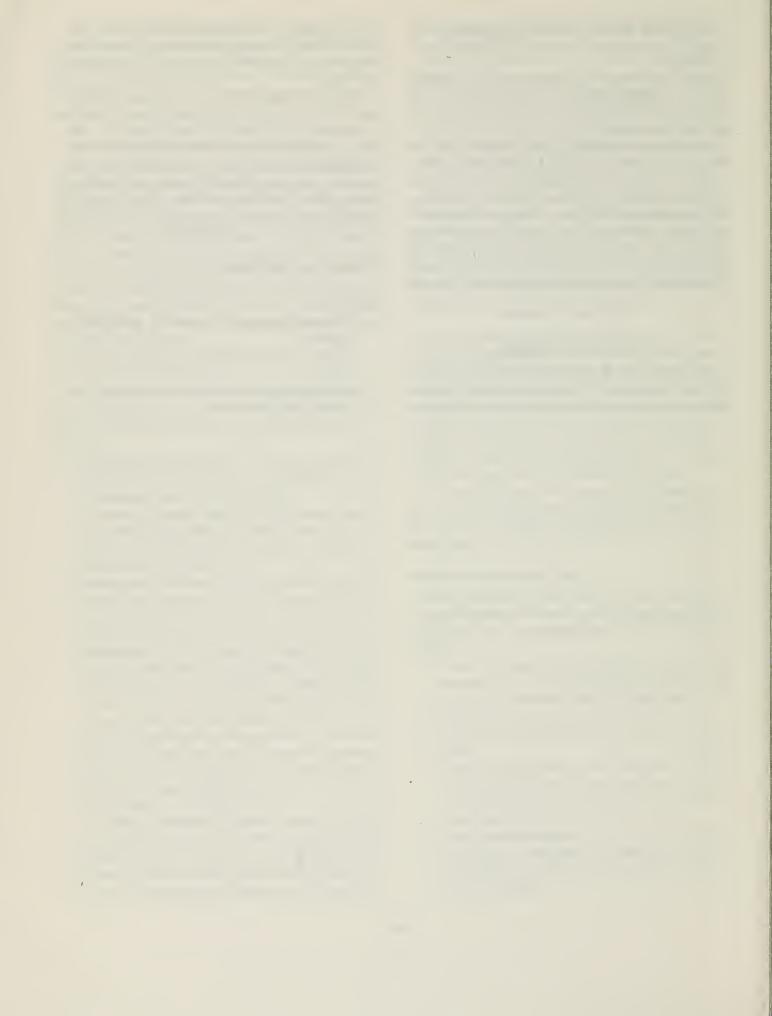
puter facilities. Through centralizing all electronic data processing, the center is providing efficiency and economy to users of computing services.

The center incorporates a large-scale computing facility with remotely located satellite miniprocessors of varying size and capability. The main objective is to make available to each user the portion of computer required to effectively process that organization's data and applications. Thus, the consolidated center becomes available to the largest or smallest user at a price compatible with its requirements.

### Proposed Accomplishments

Significant proposed adjustments to the Budget are:

- 1. Implementation of statewide timesharing system.
- 2. Additional equipment to facilitate user demand.
- 3. Implementation of statewide computer output microfilm system.





# Resources

(Changes and Accomplishments)

The Resources Agency programs are directly concerned with protecting, preserving, enhancing, and developing the State's environmental wealth for the benefit of all Californians. Programs funded range from those designed to attain and maintain desirable standards of air and water purity, to forest fire fighting, forest management, flood control, water development, oil drilling regulation, and the creation of recreational opportunities.

The Resources Agency, under the direction of the Secretary for Resources, consists of the following Boards, Commissions and Departments: the Departments of Conservation, Fish and Game, Forestry, Boating and Waterways, Parks and Recreation, and Water Resources: the Air Resources Board, the California Coastal Commission, the California Coastal conservancy, the California Conservation Corps, the Colorado River Board, the Energy Resources Conservation and Development Commission, the San Francisco Bay Conservation and Development Commission, the Solid Waste Management Board, the State Lands Commission, the State Water Resources Control Board and the nine regional Water Quality Control Boards.

In developing the Resources programs for 1979–80, all activities were reviewed in order to increase productivity, economy and efficiency while continuing to enhance California's environment.

# ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

The Energy Commission was established in 1975 to ensure continuation of a reliable supply

of energy for California at a level consistent with the state's needs.

### Current Accomplishments

In power plant siting, new Notice of Intent/ Approval for Certification (NOI/AFC) regulations were developed to streamline, shorten, and clarify the siting process. Utility proposals for geothermal and coal gas-fired plants were placed on expedited review schedules. In the planning program, the Commission is completing its second Biennial Report, due early in 1979, which includes new independent forecasts of electricity and gas demand as well as detailed analyses of ways to supply needed electrical energy. Major planning studies of the issues and opportunities for coal use in California were also undertaken, as were generic hearings on the availability of generation technologies. A procedure was developed for closely coordinating Energy Commission and Air Resources Board review in these areas. In energy conservation, the Commission continued its leadership role, with efficiency standards for new buildings and appliances taking full effect and standards for utility load management reaching final development stages. Taken together, Commission conservation programs are projected to save the equivalent of 50 million barrels of oil and \$1.7 billion annually by 1985. Major steps forward were taken in identifying wind resources in California, demonstrating energy production from biomass, and resolving air and transmission line issues affecting geothermal development. In both the conservation and development areas, efforts to aid local government energy efforts were stepped up.

### Proposed Accomplishments

Even with the overall reductions discussed in the low priority reduction narrative the Commission will be expanding its development program by a net of 5.8 person-years and \$244,654 in 1979–80 for increased activity in wind energy and geothermal resources development, biomass demonstration projects, hydroelectric and cogeneration efforts and the engineering and environmental analysis of development projects in order to facilitate the implementation of these new resources and technologies in the State at the earliest possible time.

### AIR RESOURCES BOARD

The Air Resources Board is responsible for protecting California's air environment from hazardous emissions from both mobile and stationary sources.

### Current Accomplishments

The principal focus for fiscal year 1978–79 will be to achieve and maintain the ambient air quality standards per the Federal Clean Air Act, to investigate pollution control measures, to expedite coal-based and geothermal power generating technologies, and to facilitate economic and industrial growth through pollution reduction tradeoffs. Expanded emphasis will be placed upon improving the air pollution monitoring network including analysis of respirable pollutant particles, investigation of air pollution in non-urban areas, and bolstering air pollution control district enforcement of pollution control requirements.

A significant achievement of California's air pollution control effort is the result of the motor vehicle emissions control program. To date the growth pattern of automotive emissions has been reversed, and as new automobiles, which meet even more stringent standards, replace older "dirty" cars, even greater reductions will occur.

### Proposed Accomplishments

In 1979-80 the Air Resources Board will be expending \$896,000 to revamp its emission data system in order to meet Federal reporting re-

quirements and to provide more accurate air pollution information upon which to make improved decisions related to new sources of pollution, trade off analysis and better planning for a cleaner environment.

### PARKS AND RECREATION

The major activities of the Department are to plan, develop, protect, interpret and operate the State Park System.

### Current Accomplishments

In 1978–79 it is anticipated that the State Park System will provide 63.2 million visitor days of service in the 1,013,000 acres of State park lands.

### Proposed Accomplishments

In 1979–80 the visitor days are expected to increase to 66.4 million with the addition of 18,-107 acres, 540 camp units, and 460 picnic units.

As explained in the narrative of Low Priority reductions, the Department of Parks and Recreation has reduced 105 positions at a savings of \$2.6 million because lower priority services have been eliminated. However, in order to continue to provide additional recreational opportunities for the public, 32 units will be expanded or opened to the public in 1979–80. An additional 105.6 positions and \$2,062,720 will be needed for these new facilities and the anticipated 5 percent increase in visitor days. The bulk of this new staff will be provided by transfer of positions eliminated from elsewhere in the Department of Parks and Recreation, as described above.

In 1979–80, the Roberti-Z'berg Urban Open Space Grant program will be continued for a fourth year. An additional \$10 million above the \$65 million already appropriated between 1976–77 and 1978–79 will be made available to local governmental entities for the acquisition and development of local parks.

### FISH AND GAME

The purpose of the department is to perpetuate and enhance the State's fish and wildlife resources for the benefit and enjoyment of all California citizens.

### Proposed Accomplishments

In recent years, the department has faced the major problem of revenues from the sale of fishing, hunting, and other licenses not being sufficient to fund program requirements. Funding full year costs required using Fish and Game Preservation Fund surplus funds each year. In addition, new requirements, and the drought had adversely impacted the department's financial viability. During Fiscal Year 1978-79 the Administration studied alternatives to rectify this perennial problem. The Department of Finance and the Department of Fish and Game jointly developed criteria for identifying game and nongame programs. This budget reflects the outcome of that effort. In accordance with Chapter 855, Statutes of 1978, the General Fund will be used exclusively for agreed upon nongame programs, and the Fish and Game Preservation Fund exclusively for game programs beginning in Fiscal Year 1979-80. This action, and other legislation that increased license fees, indexed fees to inflation and required the General Fund to pay for the value of free licenses, placed the department on solid financial grounds. Free licenses are estimated to be \$781,-740 (an increase of \$620,044) in 1979–80. The transfer of nongame program costs from the Fish and Game Preservation Fund to the General Fund amounts to \$1,226,163, for a total nongame General Fund program cost of \$3,943,000.

### **WATER RESOURCES**

The primary objective of the Department of Water Resources is management of California's water resources for maximum beneficial use while recognizing the limited extent of those resources and the competing needs which must be satisfied.

### Proposed Accomplishments

In 1979-80 the State Water Project activities will be increased by 106 positions and \$34,857,400. The State Water Project energy supply will be the keynote of emphasis during 1979-80. Energy projects proposed for at least initial planning include a 1,000 megawatt coal-fired power plant, three 55 megawatt geothermal power plants and several smaller hydroelectric power plants. In order to come closer to meeting full contractual commitments of the State Water Project, completion of the West Branch facilities, including a power recovery plant, is planned.





# Health and Welfare

(Changes and Accomplishments)

The State Human Services programs in California are among the most complex and costly of governmental services. They are administered by or through the Health and Welfare Agency. A majority of the people in this State benefit in some way through these programs, and the preparation of the 1979–80 budget carefully considers the impact on them of any proposed changes.

It is expected that during the current year and in the future, individual departments will continue to take a closer look at how these programs may be administered more efficiently. Both specialization and consolidation, where appropriate, are being considered. But the primary goal will be to minimize costs without compromising the quality of services provided to California's aged, youth, disabled, and disadvantaged or to the protection afforded to its residents.

### Health and Welfare Agency

The Agency is responsible for administering the State's health, welfare, social, rehabilitative, and correctional programs.

### Current Accomplishments

During the current year, the primary emphasis of the Multipurpose Senior Services Centers Program (MSSP) has been on the identification of the most appropriate test models and evaluation systems and the development of a master

site preparation plan. The second phase which will continue into the budget year will be directed toward further planning, site selection and implementation of two distinct test models.

### Proposed Accomplishments

During the budget year, the Agency will develop and implement a comprehensive Civil Rights compliance program to establish guidelines and standards for use by State departments in complying with Chapter 972, Statutes of 1977 (AB 803).

The Agency will also coordinate a Master Plan for Services to Children and Youth which will be submitted to the Legislature on July 1, 1980. The Agency will coordinate all State activities related to the Statehouse Conference on Children and Youth and the International Year of the Child.

A Rural and Migrant Affairs Coordinator will implement a plan for equity of service for migratory and nonmigratory residents of rural areas.

### **Department of Health Services**

The Department of Health Services administers the Medi-Cal, Public Health and Licensing and Certification programs.

### Current Accomplishments

During the current year, the Department of Health Services (DHS) will continue to serve California through its broad range of programs to improve the health status of its citizens. The Medi-Cal program, which pays for the medical care of individuals who cannot afford such services, is estimated to have a caseload of 2,915,300 eligibles and a total expenditure of \$3.6 billion. To increase the cost-efficiency of processing claims for the Medi-Cal program, DHS awarded a new 5½ year contract, effective September 1, 1978 to a new fiscal intermediary for claims processing. During the current year, the new contractor is designing and installing the system, with the first operational processing to begin on June 1, 1979.

### Proposed Accomplishments

In the budget year, the total expenditures for the Department of Health Services will grow by \$450.7 million, or an increase of \$178.1 million in General Fund. The Medi-Cal program will continue to offer service to an estimated 2,931,-200 eligibles with a total expenditure of \$4.07 billion. This represents a growth of 0.5 percent in eligibles and 12.1 percent in total expenditures. Included in the proposed budget for the Medi-Cal program is a 6 percent provider rate increase (adding \$106.5 million—total funds) and a 6 percent cost-of-living increase for the county administration activities related to the Medi-Cal program (adding \$7.2 million-total funds). In addition, other local assistance public health programs receive a 6 percent provider rate increase.

In order to continue to provide essential health services, an additional 117.4 positions have been proposed for various programs administered by the Department. A particular emphasis is made on containing fraud and abuse in the Medi-Cal program by including:

—Thirty-three positions added to the Surveillance and Utilization Review Section to implement the initial identification portion of the federally required post-payment review process for Medi-Cal.

—Fifty positions established (previously funded from a Title II grant) to continue multidiscipline medical and financial audits of acute care hospitals.

—Twenty-one new positions for the skilled

nursing facility audit program to maintain the current level of 57 positions. This will permit an annual audit of all SNF and ICF facilities. These positions were previously funded by a Title II grant.

### Department of Mental Health

The goals of the Department of Mental Health are to develop and provide a continuum of mental health services for those mentally disorderd in need of such help through a support system of county mental health programs, State hospitals, and protective social services.

### Current Accomplishments

During the 1978–79 fiscal year, Chapter 292, Statutes of 1978 (SB 154) permitted a waiver of the statutory county 10 percent Short-Doyle match. Even though many counties decided to reduce part or all of their financial participation, most program funding levels were maintained through a combination of voluntary county participation and State funding increases:

- The Budget Act of 1978 provided a \$2.6 million augmentation for community based programs for mentally disabled offenders and a \$6.6 million augmentation for local programs for acute psychiatric and other mentally disabled patients.
- Chapter 1233, Statutes of 1978 (AB 3052) provided the framework for development of a local mental health residential treatment system and appropriated \$3,000,000 to initiate new local programs;
- Chapter 332, Statutes of 1978 (SB 2212) reappropriated \$13,300,000 for the development of similar local programs to preclude an increase in State and local hospitalization.

These programs have aided the counties in maintaining essential mental health services locally and have contributed to a slight population decline in State hospital programs for the mentally disabled—from 5,124 patients on June 30, 1978 to an estimated 5,111 patients on June 30, 1979.

### Proposed Accomplishments

The 1979-80 budget proposes an augmentation of \$12.6 million to continue those local programs initiated in 1978-79 with funding reappropriated under Chapter 332, Statutes of 1978 (SB 2212), a continued expenditure of \$3,000,000 for the community residential treatment programs initiated in 1978-79 under Chapter 1233, Statutes of 1978 (AB 3052), and a 6 percent cost adjustment in the amount of \$13.7 million to fund price increases for community based mental health services and community based mentally disordered offender programs.

The 1979–80 budget also provides for continuation of State hospital staffing ratios approved in the Budget Act of 1978. A population reduction of 213 mentally disabled patients from the current budgeted level of 5,124 patients to 4,911 patients on June 30, 1980 accounts for a staffing decrease of 130.3 positions in the Department of Mental Health's two hospitals. Savings of \$2.7 million, as a result of the mentally disabled population drop, will be available for transfer to local mental health programs to provide for continued treatment of patients released to the community.

### **Department of Developmental Services**

The Department of Developmental Services administers the Lanterman Developmental Disabilities Act. The intent of this Act, and the primary objective of the Department, is to ensure coordination of the provision of services to persons with special developmental needs. Services to the developmentally disabled are delivered directly through State hospitals and continuing care support services and indirectly through a statewide network of 21 private, non-profit, locally based community agencies.

### Current Accomplishments

The Department of Developmental Services has responsibility for nine State hospitals serving 9,011 residents in 1978–79, representing a reduction of 363 population from the preceding year. As of November 1, 1978, over 250 individuals had been referred for placement into the community. In addition, the 21 Regional Centers continue to provide diagnostic counseling and referral services to a caseload of approximately 64,000 individuals. Approximately 10,300 of

these clients are receiving placement and followalong services from the Department's Continuing Care Services Branch caseworkers.

The Department initiated a Psychiatric Technician Apprenticeship Program during the current fiscal year to improve recruitment and retention of qualified candidates. A total of 225 apprentices are expected to be enrolled in the program by the end of 1978–79.

### Proposed Accomplishments

The 1979–80 budget includes the establishment of a new division for planning and evaluation. This will be accomplished through a redirection of 30 positions from existing Departmental units in order to centralize technical-analytical planning and evaluation functions. In addition, 16 new positions are proposed.

Continued growth in the number of clients served by Regional Centers is projected to add 7,852 new cases, for a total caseload of 72,477. The proposed Regional Center budget includes an augmentation of \$6,344,149 and a redirection of \$6,128,277 within the Regional Centers' budget to fund the full-year costs of this growing caseload.

The 1979–80 budget includes \$999,586 to continue funding for 225 Psychiatric Technician Apprenticeships established in the current year. In addition, \$500,000 of General Fund money is proposed to begin two new classes of 30 candidates each at Camarillo and Fairview State Hospitals.

A decrease of 374 clients in State hospital programs for the developmentally disabled and a reduction of 89 persons in programs for the mentally disordered is projected. This decline in population together with a reassessment of the positions required to meet licensing and certification standards permits a reduction of 571 positions and \$5,510,459 in State hospital funding.

The Capital Outlay Program of \$52.9 million in the current year and \$43.8 million in the budget year is discussed in detail under State Construction Programs on page A-69.

### **Department of Social Services**

The programs administered by the Department of Social Services are designed to provide financial assistance to the eligible needy and to prevent abuse, neglect, and exploitation of children and adults who are unable to protect them-

selves. Major programs include: (1) SSI/SSP which provides cash grants for adults; (2) AFDC which provides cash grants for children; (3) Food Stamps which provides nutritional aid to needy persons; and (4) Social Services which provides assistance to persons in need.

### Current Accomplishments

Approximately 1.5 million low-income people will receive AFDC grants to meet the basic needs of children and their caretakers. In 1978–79, a family of four will receive \$423 a month to meet these needs. The total costs will be \$1.5 billion; including \$601 million in General Fund money, \$9 million in county funds, and \$898 million in Federal funds.

The Supplemental Security Income/State Supplementary Program (SSI/SSP) is a Federal-State program which provides grants to finance basic needs of eligible aged, blind, and disabled individuals. An aged or disabled person currently receives \$307 and a blind person \$345 per month. Over 700,000 Californians will receive these payments during the year, at a General Fund cost of \$735 million.

In the Food Stamp program, an estimated \$337 million in Federal funds will help approximately 1.2 million people to receive food during the 1978–79 fiscal year.

The Social Services Program provides services to California's elderly, blind, and disabled citizens and to children and families who need help. The Homemaker/Chore element of Social Services supplies In-Home Supportive Services (IHSS) to the aged, blind, and disabled persons who need assistance with personal care and/or essential housekeeping tasks. Approximately 150,000 persons are served annually by county and private agency staff who provide homemaker and chore services pursuant to State guidelines.

### Proposed Accomplishments

Estimated expenditures will increase from \$2.55 billion in the current year to \$3.38 billion in 1979–80. A 6 percent cost-of-living adjustment is proposed for AFDC, SSI/SSP, APSB, and county administration in the budget year.

Approximately 1.5 million low-income people will receive AFDC grants to meet the basic needs of children and their caretakers. In 1979–80, a family of four will receive \$448 a month to

meet these needs. The total costs will be \$2.02 billion; including \$662 million in General Fund money, \$365 million in county funds, and \$997 million in Federal funds.

Effective July 1, 1979, an aged or disabled person will receive \$326 and a blind person \$366 per month. Approximately 713,000 Californians will receive these payments during the budget year, at a General Fund cost of \$706 million.

In the Food Stamp program, an estimated \$335 million in Federal funds will help approximately 1.3 million people to receive food during the 1979–80 fiscal year.

The Indochinese Refugee Assistance Program was established in 1975 by Federal legislation (PL 84-23 and 94-24) to meet the needs of Vietnamese, Cambodian and Laotian refugees. This program will provide aid and services in 1979–80 to over 12,000 of these persons who have entered the United States and are in need of assistance. Even though this caseload is totally controlled by Federal immigration laws, current Federal law calls for termination of special Federal funding on September 30, 1979. The proposed budget for 1979–80 assumes that new legislation will be enacted by Congress that will continue full Federal funding for this program.

Approximately 160,000 persons will be served annually by county and private agency staff who provide homemaker and chore services. The General Fund cost is estimated to be \$141.5 million in the budget year for IHSS.

A substantial increase in Departmental resources is proposed to provide social services for protecting the welfare of children who are being or are in danger of being abused, neglected, or exploited. A new special effort to combate child abuse is expected to serve 100,000 children during 1979–80 and a \$5 million General Fund augmentation is proposed.

### **Employment Development Department**

The Employment Development Department provides a labor exchange facility for jobseekers and employers, helps welfare recipients and other disadvantaged persons to become self-sufficient through job training and employment, administers the Unemployment Insurance (UI) and Disability Insurance (DI) programs and administers the tax collection and accounting functions under the UI, DI, and Personal Income Tax withholding programs.

### Current Accomplishments

In the current year, the Employment Development Department was successful through the Employment Services Program in providing job placements for 395,000 clients. There were 4,441 persons enrolled in the Comprehensive Employment and Training Program and 3,637 persons placed in jobs after training.

A total of \$1,237,555,000 in Unemployment Insurance benefits will be paid out during the current year. In addition, payments totaling \$472,566,348 will be paid out through the Disa-

### bility Insurance Program.

Proposed Accomplishments

The major increases in the 1979-80 budget include 34 positions and \$5,000,000 to be used for the new Cooperative Education and Job Program. Recruitment emphasis will be for lowincome, minority group members. It is estimated that this program will serve 2,300 participants. In addition, 16 positions and \$308,074 have been added for the new Contractors Law Enforcement Program which will operate in cooperation with the Departments of Industrial Relations and Consumer Affairs. It is anticipated that 2,-000 contractors' cases will be audited during the budget year.

In order to serve a larger number of public assistance recipients, a budget increase of \$199,-013 from the General Fund and \$1,791,116 in Federal funds will be used to expand the WIN Program.

### **Department of Corrections**

The principal programs of the Department of Corrections are the control, care, and treatment of men and women who have been convicted of serious crimes, or those admitted to the civil narcotic program, and committed to state correctional facilities. The Department's objectives also include supervision of men and women who have been paroled from correctional facilities and returned to the community.

### Current Accomplishments

The Department of Corrections is required by statute to accept convicted felons and committed nonfelon narcotic addicts from California courts (estimated on average daily population to be 21,425 in fiscal year 1978-79) when their

sentence is imprisonment in a State correctional facility. It is the Department's responsibility to provide safe and secure detention facilities to protect society from further criminal activities and to provide necessary services such as feeding, clothing, medical care, and treatment programs including academic and vocational education, and psychiatric and counseling services. In carrying out this responsibility, the Department operates 12 correctional institutions and three reception centers. In addition, the Department operates a Community Services Program. The primary objective of this program, consistent with the public's safety, is to increase the rate and degree of successful transitions of adult offenders who have been, or who are in the process of being, released to the jurisdiction of the Parole and Community Services Division.

The Parole and Community Services Program currently operates through four parole regions with an average daily population estimated to be 15,456 parolees in fiscal year 1978-79.

### Proposed Accomplishments

Current projections for the Department of Corrections forecast an increase in average daily institutional population from 21,425 in the current year to 22,980 in the budget year or an increase of 1,555. The proposed Budget provides \$2,928,000 to reopen and staff living units during the budget year to serve the increased population.

The caseload for the Parole and Community Services Program in the budget year is estimated at 14,677, which represents a decrease of 779 parolees from the current year.

The Department's 1979-80 support budget also provides \$2,559,891 and 133.9 new positions to provide additional Management Control, Protective Housing, and Security Housing Units at Folsom State Prison, San Quentin, and Deuel Vocational Institutions. These units are necessary to house and control prison gang inmates and activities, racially violent inmates, potential high-escape risks, disruptive behavioral problems, and to protect other inmates.

### **Department of Youth Authority**

The primary objective of the Youth Authority is "to protect society more effectively by substituting for retributive punishment, methods of training and treatment directed toward the correction and rehabilitation of young persons found guilty of public offenses." The Department carries out this mandate to protect the public by: (1) providing residential and community rehabilitation programs which will help persons committed to the Youth Authority to become useful and productive citizens, and (2) accumulating a body of knowledge relative to the causes of delinquency and the treatment and control of those who engage in illegal behavior.

### Current Accomplishments

The Youth Authority's programs for offenders are carried out in 10 institutions and 6 conservation camps. The Institution and Camp Program will provide appropriate care, custody and treatment for 4,565 wards (Average Daily

Population) in fiscal year 1978–79. In addition, the Department provides post-release services to wards through 40 parole field offices in 4 parole zones. The average parole caseload for fiscal year 1978–79 is estimated to be 6,968.

### Proposed Accomplishments

The Department of Youth Authority's average daily institutional population is estimated to be 4,909 for the 1979–80 budget year. This represents a projected increase of 344 persons over current year. Nine living units are scheduled to be reopened to serve the increased population. In order to provide necessary staffing and support services for these units, 151.8 positions and \$2,870,000 have been added in the budget year.



# Education

(Changes and Accomplishments)

Education programs cover the full spectrum of teaching and support services beginning with children in kindergarten through high school and postsecondary education including candidates for baccalaureate degrees, occupational training and adult education. The passage by the electorate of Proposition 13 severely restricted the amount of funds available to K-12 and the Community Colleges from local property tax sources. During 1978–79, the State, through the passage of SB 154, provided funds to supplement these educational programs. In 1979-80, it is anticipated that similar legislation will be required to provide time for a permanent solution to be enacted for the funding of K-12 and the Community Colleges.

The University of California and the California State University and Colleges have entered an era of steady-state or possible reduced enrollments due to the reduction of 18- to 25-year old citizens which will occur during the 1980s. Higher education will be challenged to maintain the "Quality" of education offered during a period when the "Quantity" of students decline. During 1978–79 and 1979–80 reviews will be made by the higher education segments of their academic programs and administration in order to maintain the quality and yet do so in the least costly manner.

### DEPARTMENT OF EDUCATION

California's public education system is administered at the State level by the Department of Education under the direction of the State Board

of Education and the Superintendent of Public Instruction, for the education of more than four million students from preschool age through adulthood. It is estimated that K-12 school districts will have \$7,932,000,000 in State, Federal and local General Fund revenues in 1978–79, which is a decline of 1.6 percent from the \$8,059,804,177 received in 1977–78. This is the net result of the 57 percent reduction in property taxes from the enactment of Proposition 13 and the increase of more than \$2 billion in State aid from the local government fiscal relief legislation, SB 154, enacted in June 1978.

### Current Accomplishments

- 1. Proposition 13 Relief and Adjustments Over \$2 billion was allocated to K-12 school districts and county offices of education to replace losses in local property tax revenues resulting from the property tax limitation contained in Proposition 13. This brings State support for California's public school system up over 70 percent of the total funding available to schools in 1978-79. In addition, \$53 million in reduced categorical aid and special apportionment expenditures results from SB 154. Cost-of-living adjustments were eliminated for categorical aid programs except those for handicapped youngsters.
- 2. Master Plan for Special Education Chapter 1247, Statutes of 1977 (AB 1250), authorized expansion, starting in 1978–79, of the California Master Plan for Special

Education as a continuing program with additional funding contained in Chapter 894, Statutes of 1977 (AB 65). The additional funding of \$44.0 million in AB 65 provided \$101.4 million in the current year to allow a 70 percent increase in the number of students served by this program.

3. School Improvement Program

The School Improvement Program, established by Chapter 894, Statutes of 1977 (AB 65) is in its second year. This program is aimed at restructuring education in kindergarten through grade twelve. It replaces the Early Childhood Education Program (ECE) in kindergarten through grade three. The program was expanded by \$6.5 million in the current year to a total of \$123.3 million.

Local School Site Councils, comprised of school personnel, parents, or other community members selected by parents and students at the high school level, will direct the restructuring at their individual schools. A planning year will be provided each school in order that each school site council can prepare a quality needs assessment for their school and a thorough school site plan which addresses the school's needs as identified in the assessment.

# 4. School Personnel Staff Development and Resource Centers

A new comprehensive program for the in-service training of school personnel has begun in the current year. Established by Chapter 966, Statutes of 1977 (AB 551), the School Personnel Staff Development and Centers program provides Resource certificated employees the opportunity to develop their own school site staff development program based on school improvement objectives established by a school site council comprised of parents, community members, and students, as well as school personnel.

In addition to these school site staff development programs, Resource Centers are being established to provide programs to (1) aid schools in carrying out their school site staff development plans, (2) act as a liaison between institutions of higher education and local school personnel and local agencies, and (3) disseminate information regarding staff development methods and models.

First year funding of \$945,000 has been appropriated for this program in the current year.

5. Child Development Services

There has been a significant program expansion in the current year with an estimated increase in the total children served of 30,000. State General Fund expenditures are estimated to increase by \$8.7 million bringing the total program to \$127.1 million, serving over 173,000 children. The expansion funds are being used to address the priority needs for infant care, extended day care for school-aged children, child care in rural areas, programs for high school aged parents and their infants, and continued care for children being served by the Santa Clara Pilot Project.

6. Library Assistance

The 1978-79 budget provided for an augmentation of \$3,590,000 for the implementation of the California Library Services Act, Chapter 1255/77 (SB 792). These funds will be used to assist local libraries to facilitate the sharing and coordination of statewide library resources and services through interlibrary loans, system reference referral, and equal access. The development of this system will enable libraries to provide each citizen access to the widest possible range of information services and resources.

### Proposed Accomplishments

### 1. Child Care Annualization

This budget provides \$3 million to annualize the program costs associated with the child care expansion in the 1978–79 Budget Act. In addition, \$7.4 million is provided for a six percent inflation adjustment—\$4.8 million State General Fund and \$2.6 million from HR 13511 reimbursements.

The 1979-80 proposed budget also seeks to maximize the use of Federal funds by (1) substituting \$5.2 million HR 13511 reimbursements for State General Fund

overmatch in the federally eligible program in 1979-80, and (2) replacing the one-time funding available from HR 3387 in the current year. A total of \$135.3 million from all funds is proposed for 1979-80, an increase of 6.4% over 1978-79.

2. Development Centers for Handicapped **Pupils** 

This program serves severely physically and/or mentally handicapped youth as part of community based respite support for parents. The funding level base for this program has been reduced by \$4.2 million to a budget year level of \$12.0 million to reflect a transfer in anticipated enrollments which will be funded through the Master Plan for Special Education. These Centers will continue to be fully funded.

3. Bilingual Teacher Corps

The Governor's Budget contains \$1.6 million in order to continue the Bilingual Teacher Corps program. The authorizing legislation (Chapter 1496/74) contained funding only through 1978–79. This program is designed to both provide upward mobility and meet the bilingual education needs of California's limited-English and non-English-speaking students and funding has been continued.

4. State Child Nutrition Program The Child Nutrition program provides for a State allocation of funds to school districts

for partial reimbursement of costs for the provision of school meals. The budget includes a \$10.9 million increase to a total of \$46.2 million General Fund for this program in order to fully fund the 1979–80 basic and needy subsidies as calculated by statutory formula.

5. Cost-of-Living Adjustments

The budget includes \$132.8 million for six percent cost-of-living adjustments for the following programs: apportionments of \$127.3 million to school districts (Foundation program, Adults Correctional Facilities, and County School Service Fund) Child Care programs; \$4.8 million; Special Education Development Centers and Sheltered Workshops, \$0.7 million.

6. Assessment of Pupil Proficiencies

In 1979–80 the Department of Education will continue to provide technical assistance to school districts as the districts implement basic skills proficiency assessment in grades 4-12. The assessment of basic skills proficiency is required by Chapters 856/77 and 894/77. To continue State assistance to districts. \$304,550 is proposed replacement of the Chapter 894/77 appropriation which expires in 1978–79.

7. Contingency Funds for Support of Sutro

Library Lease

Because the University of San Francisco will not renew the \$1.00 per-year lease with the State Library, it is necessary to provide contingency funding of \$200,000 in the 1979–80 budget for lease costs for the Sutro Library.

8. Increase Support for Southern California

Regional Library

In compliance with Chapter 880/78 which calls for a three-year phase-in of State support for the Southern California Regional Library, the 1979-80 budget includes an augmentation of \$166,000 which brings the State participation to \$332,000.

9. Expansion of Academic and Support Staff at the Special Schools

The 1979-80 budget of \$20.4 million proposes \$373,437 to expand instructional and support services at the State Special Schools to provide for increased services and security to pupils and staff. In addition, legislation will be proposed to change the Education Code to enable the state special receive schools to continue to reimbursements from school districts under the restraints imposed by Proposition 13.

- 10. Increase Technical Assistance to Schools To develop and disseminate comprehensive curriculum guides to local schools and to provide technical assistance in the implementation of AB 65/77 funded programs, the 1979-80 budget includes \$196,000.
- 11. Increase in State Match for Vocational Education Administration The Federal Vocational Education Act

requires that California increase its match of vocational education administration support to 50 percent in 1979–80. Unless the State increases its support administration, there would be a reduction in technical assistance and support for local vocational education programs; therefore, the budget contains \$540,327 in increased General Fund support to a total of \$2.6 million for vocational education administration.

12. The Master Plan for Special Education
The Master Plan for Special Education is
proposed for expansion pursuant to AB
1250 (Chapter 1247/77) by \$48.0 million
from the State General Fund, resulting in a
budget year level of \$149.4 million. An
additional 40,000 persons will be served
through this statutorily scheduled
expansion of the Master Plan in 1979–80.

# HIGHER EDUCATION THE UNIVERSITY OF CALIFORNIA

The University of California, consisting of eight general campuses and one health science campus, is the land grant state university. It has constitutional status as a public trust and is administered by a board of regents.

It is charged, along with the California State University and Colleges, of offering the baccalaureate degree. In addition, the Donahoe Higher Education Act of 1960 (Master Plan) gives the university exclusive jursidiction in public higher education over instruction in the professions of law, medicine, dentistry and veterinary medicine. The university has sole authority to award doctoral degrees in all disciplines. The Donahoe Act also designates the university as the primary state-supported academic agency for research.

### Current Accomplishments

In the current year, the University is providing an education to 107,909 full-time equivalent students at the general campuses and to 12,040 FTE students in the health science disciplines.

### Proposed Accomplishments

In the era of steady-state enrollments, the University is planning to provide education to 107,136 FTE students at the general campuses,

a decrease of 773 FTE students, and to 12,405 FTE students in the health science disciplines, an increase of 365 FTE students.

To accomplish the mission of providing the university level education in an era of fiscal constraints, the 1979–80 budget will provide a total of \$797.1 million from the General Fund for the University of California. This represents a \$30.1 million (3.9 percent) increase above the 1978–79 level of support. The following expenditure changes are significant for the budget year;

1. Enrollment related—The budget provides a \$2.9 million General Fund enrollment generated increase to accommodate the increase in health science disciplines. This enrollment increase in health sciences is offset in part by the reduction in general campus enrollments.

2. Instructional Support—Instructional support is strengthened with the proposed addition of \$500,000 for instructional use of computers and the proposed restoration of the one-time reduction of \$4 million instructional equipment that was necessary in 1978–79.

3. Library Improvement—This increase will add \$1,122,000 to finance an annual acquisition level of 609,000 volumes as proposed in the University's Library Development Plan. In addition, an increase of \$413,000 is included to finance the inter-campus movement of library materials.

4. California Policy Seminar—An additional \$250,000 from the General Fund is proposed for an increase in organized research efforts to fund the California Policy Seminar. This seminar will define long-term policy issues facing the State and will be a cooperative undertaking between the University, the Executive Branch of State government and the Legislature.

5. Student Affirmative Action—The budget provides a proposed increase of \$1.9 million in State General Funds for the Student Affirmative Action program. This proposed increase represents a program increase of \$27,000 and a funding shift of \$1,877,000 whereby the State assumes the financing of that portion of the program presently funded from student fees.

6. Handicapped—Services for handicapped students and employees will be strengthened with an increase of \$309,000 in the budget year. This proposed increase would improve access for the handicapped by providing support services for both handicapped students (\$194,000)

and handicapped employees (\$115,000).

7. Small-Farm Advisors—Small farmers will receive better service from the University with a proposed increase of \$100,000. This increase would add four additional county advisors to work with backyard and community gardeners as well as small farmers in Kern County and the Salinas and Sacramento Valleys.

# CALIFORNIA STATE UNIVERSITY AND COLLEGES

Under the provisions of the 1960 Master Plan for Higher Education, the California State University and Colleges (CSUC) provide instruction in the liberal arts and sciences and in professions as well as applied fields requiring more than two years of collegiate effort. Also mandated is instruction in teacher education for undergraduate and graduate students. In addition, the doctoral degree may be awarded jointly with the University of California or private institutions, and faculty research is authorized. The CSUC 19 campus system is governed by a 23 member Board of Trustees which appoint the Chancellor.

## Current Accomplishments

Currently the CSUC administers to 229,958 full-time equivalent students (FTE) which represents a decrease of 7,122 FTE from the budgeted enrollment. The reductions are not recorded until 1979–80 because of Control Sections in the 1978 Budget Act. During 1978–79 the CSUC system established task forces to identify educational and operational activities where economies could be achieved. The specific fiscal objective for the various task forces was a reduction in expenditures of \$14 million for 1978–79. The recommendations of the task forces will be carried into the 1979–80 budget year as well, with a goal of reducing expenditures by an additional \$6.9 million.

# Proposed Accomplishments

For 1979–80, the CSUC system anticipates enrolling 230,510 FTE. This represents a decline from the previous year budgeted enrollment of 6,570 FTE. The 1979–80 budget provides a total of \$714.2 million in General Fund support. This is an increase of \$22.3 million (3.2%) above the amount appropriated for the 1978–79 fiscal

year. The total of \$714.2 million includes a reduction of \$8,459,436 necessitated by the fall in enrollments. This budget also contains funds for continued implementation of public safety programs on the campuses (\$637,686); increased acquisition of library volumes by 52,400 (\$1,336,200); an increase for student affirmative action to train counselors and cooperate on an early identification program with a unified school district (\$158,296); an augmentation to extend the student writing skills program to all lower division students (\$901,963), and funds to initiate the replacement of out-dated EDP batch processing equipment (\$728,824).

Also included for 1979–80 is \$403,266 for the California State University and Colleges fr implementation of collective bargaining authorized under Chapter 744, Statutes of 1978.

# BOARD OF GOVERNORS CALIFORNIA COMMUNITY COLLEGES

The Board of Governors serves primarily as a planning, coordinating, reporting, advising and regulating agency. There are 70 local community college districts and 105 colleges statewide. The Chancellor's Office is the administrative staff of the Board. It directly administers a credentialing program, the State-funded Extended Opportunity Programs and Services (EOPS), certain aspects of federally funded occupational programs, a grant and loan program for community colleges engaged in projects of innovative and nontraditional methods of instruction, and State apportionments to the 70 local districts.

# Current Accomplishments

State aid for community colleges during 1978 –79 is determined by SB 154 (Chapter 292, Statutes of 1978) formula calculations which superseded the apportionment process established by SB 1641/76. The SB 154 process used target budgets for community college districts. The target budgets are the estimated revenues that would have been received by the districts if Proposition 13 had not been approved. State support of these budgets was provided from \$535.3 million in apportionment funds and \$260 million from the General Fund appropriation contained in SB 154. The combined State aid in addition to property tax revenues and available district reserves, will allow community college

districts approximately 90 percent of their target budget revenues for 1978–79.

# Proposed Accomplishments

Because Proposition 13 altered the previous ability of community college districts to raise local property tax revenues, if community colleges are to maintain current year expenditures, then additional State aid will be necessary through another local support bill such as SB 154 of the current year. Legislation will be proposed to redirect part of this additional support to the Cooperative Education and Job Training Program in the Employment Development Department.

The 1979-80 Budget contains \$32.1 million for a 6 percent cost-of-living adjustment for community college apportionments. The 1979-80 apportionment State aid to community college districts of \$567,380,794 will be available to support all community college programs except noncredit courses unless these courses are in elementary and secondary basic skills; a course in English for foreigners; a course in citizenship; a course in a trade or industrial subject, including apprenticeship classes as they are defined by the Chancellor's Office; or a special course for handicapped adults.

One of the significant increases in this budget is for Extended Opportunity Programs and Services (local assistance). The additional \$3,082,173 proposed for this program to assist disadvantaged students is a 17.7 percent increase over 1978–79 and will serve about 7,000 additional students. Included in the additional funding is a 6 percent inflation adjustment for grants and services. This will increase the average financial grant from \$257 to \$271. Due to the ripple effect, the number of students served will reach 64,391 in 1979–80 and program costs will increase to \$20,472,092.

The 1979–80 proposed budget for the Board of Governors of the California Community Colleges is 6.3 percent above the 1978–79 level.

#### STUDENT AID COMMISSION

The State of California provides financial assistance through its various programs to academically able students who desire to continue their education beyond high school but who, without financial assistance, would find it difficult or impossible to do so. The major portion of this aid is provided through the Student Aid Commission by which the students' own resources can be complemented and supplemented thereby enabling attendance at both private and public institutions at both the graduate and undergraduate levels. Table III reflects the current and anticipated normal growth of student assistance under existing law.

# Current Accomplishments

In 1978–79, the Commission will administer approximately \$82.2 million in student financial assistance providing for 62,391 grants. In addition to the grant programs, this agency is currently commencing operations of the Guaranteed Student Loan Program (Chapter 1201/77). Serving as the state student loan guarantee agency for federally reinsured student loans, an estimated \$30 million in new student loan volume will be available to students in the current year.

# Proposed Accomplishments

For 1979-80, approximately \$87 million which will provide for 66,093 grants will be provided through the Commission's programs. This increase over 1978-79 includes additional resources for the Cal Grant Program which reflects an increase in the maximum amount and numbers of grants as specified by Chapter 1215, Statutes of 1978, taking into account the additional Federal funds received in 1978-79. An estimated \$60 million in new student loan volume is also anticipated to be made available through the State Guaranteed Student Loan Program.

# TABLE III SUMMARY OF STUDENT AID GRANTS

	1977–78	1978–79	1979–80	1980–81	1981-82
SCHOLARSHIPS—Cal Grant a					
Number of Grants	39,845	39,871	41,527	43,271	45,089
Average Amount/Grant	\$1,295	\$1,394	\$1,368	\$1,368	\$1,368
Total Costs	\$51,605,103	\$55,583,836	\$56,808,936	\$59,194,728	\$61,681,752
General Fund	(\$46,115,415)	(\$49,974,152)	(\$50,097,167)	(\$52,482,959)	(\$54,969,983)
Federal Funds	(\$5,489,688)	(\$5,609,684)	(\$6,711,769)	(\$6,711,769)	(\$6,711,769)
COLLEGE OPPORTUNITY GRANTS—Cal Grant b					
Number of Grants	15,577	19,037	20,853	22,834	25,003
Average Amount/Grant	\$1,117	\$1,045	\$1,120	\$1,120	\$1,120
Total Costs	\$17,406,175	\$19,891,982	\$23,358,090	\$25,574,080	\$28,003,360
General Fund	(\$13,382,829)	(\$15,782,036)	(\$18,506,306)	(\$20,722,296)	(\$23,151,576)
Federal Funds	(\$4,023,346)	(\$4,109,946)	(\$4,851,784)	(\$4,851,784)	(\$4,851,784)
OCCUPATIONAL EDUCATION AND TRAIN- ING GRANTS—Cal Grant c					
Number of Grants	1,928	2,166	2,389	2,434	2,481
Average Amount/Grant	\$1,377	\$1,486	\$1,386	\$1,386	\$1,386
Total Cost	\$2,654,804	\$3,218,314	\$3,311,154	\$3,373,524	\$3,438,666
General Fund	(\$2,157,495)	(\$2,701,572)	(\$2,474,807)	(\$2,537,177)	(\$2,602,319)
Federal Funds	(\$497,309)	(\$516,742)	(\$836,347)	(\$836,347)	(\$836,347)
BILINGUAL TEACHER DEVELOPMENT GRANTS					
Number of Grants	158	160	160	160	160
Average Amount/Grant	\$1,935	\$1,969	\$1,969	\$1,969	\$1,969
Total Cost (General Fund)	\$305,691	\$315,000	\$315,000	\$315,000	\$315,000
SUPERVISED CLINICAL TRAINING GRANTS					
Number of Grants	50	50	50	50	50
Average Amount/Grant	\$9,083	\$10,000	\$10,000	\$10,000	\$10,000
Total Cost (General Fund)	\$454,166	\$500,000	\$500,000	\$500,000	\$500,000
GRADUATE FELLOWSHIPS					
Number of Grants	1,090	1,102	1,102	1,102	1,102
Average Amount/Grant	\$2,202	\$2,448	\$2,448	\$2,448	\$2,448
Total Cost (General Fund)	\$2,400,447	\$2,698,000	\$2,698,000	\$2,698,000	\$2,698,000

#### **EDUCATION CAPITAL OUTLAY**

Resources of three funds are proposed to fund the most critical State-supported capital outlay programs for education in the budget for the 1979–80 fiscal year. They are: the Capital Outlay Fund for Public Higher Education (\$31,360,380); the Health Science Facilities Construction Program Bond Fund (\$5,053,000); and the General Fund (\$53,000).

The Capital Outlay Fund for Public Higher Education is funded from a portion of the State's tideland oil revenues. Revenues in the fund for 1979–80 are proposed to be expended for capital outlay needs for the University of California, General Campuses (\$14,891,000) and Health Sciences (\$656,000), Hastings College of Law (\$99,000), the California State University and Colleges (\$10,769,400), the California Maritime

Academy (\$130,680), and the California Community Colleges (\$4,814,300).

The Health Sciences Facilities Construction Program Bond Fund derives its income from the sale of general obligation bonds. The fund is used exclusively to finance Health Science capital outlay projects for the University of California. The expenditures proposed for this budget will exhaust the bonds authorized by the electorate in 1972.

The proposed General Fund expenditure is for minor capital outlay for the Department of Education.

Table IV illustrates the relationship between fund sources and the use of those funds by the education segments.

#### **TABLE IV**

# TOTAL EXPENDITURES FOR MAJOR AND MINOR CAPITAL OUTLAY IMPROVEMENTS FOR THE SEGMENTS OF EDUCATION

#### 1979-80

		University o	of California	Hastings	California State	California	California	Total Capital
	Department	General	Health	College	University	Maritime		
Expenditure from:	of Education	Campuses	Sciences	of Law	and Colleges	Academy	Colleges	tures by Fund
General Fund	. \$53,000	-	_	-	_	~	-	\$53,000
Capital Outlay Fund for Public Higher Education		\$14,891,000	\$656,000	\$99,000	\$10,769,400	\$130,680	\$4,814,300	31,360,380
Health Science Facilities Construction Program Bond Fund	<del>-</del>		5,053,000			-		5,053,000
Subtotal, State Support	\$53,000	\$14,891,000	\$5,709,000	\$99,000	\$10,769,400	\$130,680	\$4,814,300	\$36,466,380
Federal Funds	_	\$2,585,000	\$589,000	_	_	_	_	\$3,174,000
Nonstate Funds		2,948,000	9,704,000		\$7,103,000		\$3,377,800	23,132,800
Subtotal, Nonstate Support		\$5,533,000	\$10,293,000		\$7,103,000		\$3,377,800	\$26,306,800
TOTAL CAPITAL OUTLAY PROGRAM EXPENDITURE BY SEG-								
MENT	. \$53,000	\$20,424,000	\$16,002,000	\$99,000	\$17,872,400	\$130,680	\$8,192,100	\$62,773,180

#### DEPARTMENT OF EDUCATION

The Department administers special schools for the handicapped children: one for the Education of the Blind, two for the Education of the Deaf, and three for the Diagnosis and Education of Neurologically Handicapped Children.

Current Accomplishments

The Special Schools for the Blind, Deaf and Multihandicapped Children, now located in Berkeley, have been deemed seismically unsafe and are to be relocated to the new site at Fremont which is presently under construction. The scheduled occupancy date is June 1980.

# Proposed Accomplishments

The 1979-80 budget proposes a centralized day security communications system at the School for the Deaf, Riverside.

#### UNIVERSITY OF CALIFORNIA

The University has two major capital outlay budgets: one pertains to the eight General Campuses and the other to campuses which have Health Sciences programs.

Current Accomplishments

The 1978–79 budget reflects the planning and construction of projects using the funds made

available by the Health Sciences Facilities Construction Program Bond Fund. These funds are used exclusively to finance health sciences capital outlay projects for the University of California. Capital Outlay Funds for Public Higher Education (COFPHE) funds were also made available for the highest priorities of the University, the construction of the seismically deficient patient care facility at the University of California, Sacramento Medical Center and planning funds for Schoenberg Hall at the Los Angeles campus.

Proposed Accomplishments

The 1979-80 budget reflects the final projects to be constructed using the funds made available by the Health Sciences Facilities Construction Program Bond Fund. It also proposes COFPHE funds to correct and complete life and safety projects and construction funds for the Schoenberg Hall project at the Los Angeles campus.

# THE CALIFORNIA STATE UNIVERSITY AND COLLEGES

The State University and Colleges consists of 19 campuses.

Current Accomplishments

The 1978–79 Capital Outlay Program reflects expenditure of the funds remaining in the State Construction Program Fund by authorizing the construction of the long delayed library building at San Jose State University. In addition, COFPHE funds were appropriated to purchase land at CSU, Chico, Humboldt, and San Diego.

Proposed Accomplishments

The 1979–80 budget is restricted to meeting the health and safety deficiencies and further removal of architectural barriers to the physically handicapped.

#### CALIFORNIA MARITIME ACADEMY

The Academy's primary objective is to provide the highest quality of instruction in the nautical sciences, marine sciences and related fields.

This program produces the well-trained, collegeeducated officer for the maritime industry.

Current Accomplishments

In 1978-79, COFPHE funds were appropriated for the initial and final phases of the radar simulation and computer science laboratory addition, which, with prior funding, completes the Academic Master Plan for the conversion to a four-year curriculum and achievement of full academic accreditation.

Proposed Accomplishments

The 1979-80 budget proposes the expenditure of COFPHE monies to provide all buildings on the campus with a synchronized clock system and an updated fire alarm system, which is the final phase of construction for the Academy.

## CALIFORNIA COMMUNITY COLLEGES

The Community Colleges are designed to prepare the student after high school with a twoyear degree program and offers vocational training.

Current Accomplishments

The 1978-79 budget reflects the expenditure of the funds remaining in the State Construction Program Fund to provide the necessary planning for the removal of architectural barriers to the physically handicapped for State-supported facilities. In addition, COFPHE funds were appropriated for the completion of essential programs at the various community colleges.

Proposed Accomplishments

The 1979-80 Capital Outlay program reflects the effect of the passage of Proposition 13 which virtually eliminated the ability of a district to raise its matching share of a project as required by current State law. In recognition of this effect, this budget includes only those projects for the completion of life and general safety, removal of the architectural barriers to the physically handicapped for State-supported facilities, and where the districts have certified there are sufficient matching funds available for those projects which make existing facilities operable.





# General Government

(Changes and Accomplishments)

The programs within this area include general government departments such as, but not limited to, Public Utilities Commission, FPPC, Industrial Relations, Food and Agriculture, Military, Public Defender and Board of Control.

# **PUBLIC EMPLOYMENT RELATIONS BOARD**

The Public Employment Relations Board is responsible for the orderly conduct of employeremployee relations in state government and in the state's various educational systems.

# Current Accomplishments

Ninety percent of the state school districts will be "meeting and negotiating" with exclusive employee representatives during the current year.

#### Proposed Accomplishments

Legislation passed in 1977 and 1978 extended the Board's jurisdiction to include collective negotiations for all State employees and employees of the University of California, the California State University and Colleges, and Hastings College of Law. To enable the Board to assume this added workload, 16.7 new positions and \$707,829 are proposed for 1979–80. In addition, \$1,285,812 is proposed for allocation to the Board by the Department of Finance if the Board's workload necessitates additional support.

# CALIFORNIA FISCAL INFORMATION SYSTEM (CFIS)

In the current year, the Department of Finance implemented the development of the Cali-

fornia Fiscal Information System in order to meet the State's high-level fiscal information needs. CFIS will make available to Legislative and Executive Branch decision-makers a computerized on-line, graphic oriented inquiry capability for revenues, expenditures and performance indicators for both organizations and programs. Additionally, CFIS will be able to simulate expenditures, forecast revenues and compare similar activities for use by State decision-makers.

# Current Accomplishments

The development of CFIS is planned over a seven-year period with specific developments to be accomplished each year. In the current year, a "Request for Proposal" was issued to solicit appropriate computer software proposals. It is anticipated that a software package will be selected by June 1979. Work began to expand and standardize the State's revenue, expenditure and General Ledger accounts, and to review the basis of the State's accounting.

A common coding is being developed to relate budgeting and accounting data for line item objects of expenditure, programs, organizations, and fund sources. Research was initiated to develop a universal coding to provide for a comparison of similar or identical activities. Work started to define and implement changes to the Controller's Fund Accounting System, and to the program cost accounting capabilities in the systems of eight large departments. Work has also begun to define an Institutions Accounting System, and a Standard Accounting System for those departments that do not have computer-

ized program cost accounting capability. The Department of Finance's Budget Preparation System will be modified, as the first system change, to provide for legislative tracking of the Budget Bill.

# Proposed Accomplishments

In the budget year, CFIS will be installed and tested and will be receiving information from the State Controller's accounting system and the program cost accounting systems of eight large departments. The Federal Trust Fund will become operational and all Federal funds will be included in the Budget Bill. A new Governor's Budget and Budget Bill will be developed for 1981–82, with modifications to the Budget Preparation System. On-line access will be provided to the Budget Administration System.

The 1979–80 budget of \$3.7 million will continue to fund the authorized project staff of 35, provide funds to acquire CFIS terminals for the Legislature and a number of departments and provide funds to modify and develop departmental fiscal reporting systems.

#### DEPARTMENT OF FOOD AND AGRICULTURE

The Department of Food and Agriculture is responsible for promoting and protecting California agriculture in the interests of public health, safety and welfare.

# **Proposed Accomplishments**

The 1979-80 budget proposes to add 20 work years and \$1,105,644 for the Environmental Monitoring and Worker Health and Safety Progams. These additions will be used to accelerate efforts to minimize the hazards to health and the environment resulting from the use of pesticides. Objectives will be achieved through expanded abilities to enhance the development and availability of biocontrol organisms, through an expanded integrated pest management program, and through the development of greater capabilities to monitor hazards pesticides levels in the environment.

## **DEPARTMENT OF INDUSTRIAL RELATIONS**

The objective of the Department of Industrial Relations is to foster, promote and develop the welfare of California's wage earners, to improve their working conditions, and to advance their opportunities for profitable employment.

## Current Accomplishments

Of 75 CAL/OSHA Consultation service positions established in 1978–79 and limited to June 30, 1979, fifty are proposed for permanent authorization in 1979–80 at a cost of \$1,553,743, of which 90% will be supported from federal funds and 10% from the General Fund.

The Operation Outreach program in the Division of Labor Standards Enforcement includes 28 positions in the current year that are limited to June 30, 1979. This program has proven successful in ferreting out employers in low wage industries who are in violation of the Labor Code, and on this basis permanent authorization of the 28 positions is proposed in 1979–80 at a General Fund cost of \$596,788.

The current year budget includes 59 positions for the Concentrated Enforcement program in the Division of Labor Standards Enforcement. These positions, which are supported from Title II funds through June 30, 1979, are proposed for permanent authorization in 1979–80 at a General Fund cost of \$1,113,877. This program has made significant progress toward eliminating "sweat shop conditions" in the garment, restaurant, and hotel industries, where illegal aliens are often employed.

Title II funds support 12 positions in the current year to enforce laws affecting construction contractors, including payment of wages, benefits, taxes, licensing, and maintenance of safety standards. Based on the demonstrated ability to achieve meaningful benefits for the workers of California, these 12 positions are proposed for permanent authorization in 1979–80 at a General Fund cost of \$248,502.

# Proposed Accomplishments

In an effort to achieve greater economy in operations, the Department of Industrial Relations is eliminating 30 hearing reporter positions as a result of more efficient scheduling procedures and the increasing use of informal hearings which do not require the recordation of proceedings.

Chapter 1244/78 (AB 3413) requires the department to develop and maintain a hazardous substances information alert repository. One million dollars is budgeted for this purpose, one-half from the General Fund and one-half from federal funds. The repository will be developed by contract with the Department of Health Serv-

ices.

A total of 20 new positions and \$505,112 is budgeted to aid the Fair Employment Practices program in its efforts to ensure nondiscriminatory practices in employment and housing.

Two positions and \$962,730 is budgeted to implement on-line computer interface with the Teale Data Center to aid case tracking and calendaring for the Workers' Compensation Appeals Board and case tracking and collection of demographic data for the Division of Fair Employment Practices.

#### **CALIFORNIA ARTS COUNCIL**

The California Arts Council, established by Chapter 1192, Statutes of 1975, is charged with providing for the artistic needs of California's citizenry.

## Proposed Accomplishments

In order to provide for artistic expression and increase cultural awareness in California, all grants programs of the California Arts Council are proposed to be increased. These increases will substantially improve access to cultural events for all citizens of this state. In order to implement this program an increase of 19 positions and over \$10 million is proposed.

#### **BOARD OF CONTROL**

The Board of Control considers and settles claims against the state; provides equitable allowances to state employees for travel and moving expenses; administers the merit award and the indemnification of private citizens programs.

#### Proposed Accomplishments

The 1979-80 budget for the Board of Control proposes an increase of 23 positions and \$416,-489, most of which is for increased workload in two program areas.

The Local Mandated Costs Program proposes three new positions for a two-year limited term (to June 30, 1981) to process increased workload. The Victims of Crimes Program proposes 20 new positions for a two-year limited term (to June 30, 1981) to decrease the claims backlog and accommodate the workload growth. The limited term status of the positions allows for a complete review of these programs before permanent positions are added.

# AUGMENTATION FOR EMPLOYEE COMPENSATION

The Employee Compensation budget is a vehicle for funding salary and benefit increases for all state employees.

## Current Accomplishments

Although state salaries were frozen in the current year to provide maximum assistance to local governments impacted by the passage of Proposition 13, there were benefit increases.

Chapter 1180, Statutes of 1978, increased employer contributions for miscellaneous retirement members from 15.85% to 16.85%, at a total cost of \$31,400,000.

Chapter 844, Statutes of 1978, increased health benefit contributions from the average of 85% for employees and 65% for dependents to an average of 100% for employees and 90% for dependents, at a total cost of \$37,260,000.

The "meet and confer" approach to employee compensation issues was expanded to a good faith negotiating system by Chapter 744, Statutes of 1978. The determination of employee bargaining units is underway.

## Proposed Accomplishments

Since bargaining units have not yet been established and negotiations have not taken place, no amounts for employee compensation increases are included in the 1979–80 Governor's Budget other than for judges, who are guaranteed a five percent pay increase pursuant to existing statute. Upon completion of the negotiations for Civil Service employees and in consideration of the President's Wage and Price Standards, amendments to the 1979–80 Financial Plan will be proposed to the Legislature for all employees other than judges.

When the 1979-80 financial plan is amended, in addition to the funds provided to the University of California for salary increases, the University will be given the authority to use, at its discretion, any savings in its normal operating budget resulting from economies of consolidation or elimination of activities in order to provide flexibility for salary increases beyond that specifically provided. Allowing the University to exercise this option at its discretion will permit the Regents to determine the relative priority of ongoing activities of the University in relation to the need for special salary adjustments for fac-

ulty and staff.

Other compensation improvements that are provided for in departmental budgets total \$1.4 billion. These include \$48.2 million for the approximately 40 percent of state employees who are eligible to receive merit salary adjustments and \$61 million for increases in the state's contributions to the Public Employees' Retirement System.

Expenditures in 1979–80 for currently authorized staff benefits (not including merit salary adjustments) for civil service and related employees will be approximately 30 percent of salaries and wages before any new salary increases or benefits are enacted. Additionally, the equivalent of 13 percent will be provided in the form of vacation, sick leave and holidays.

#### TAX RELIEF

Tax relief expenditures total nearly \$700 million in the budget year. The passage of Proposition 13 reduced expenditures for property tax relief programs by over fifty percent, the same level of relief provided to property owners. Expenditures for tax relief were over \$1.4 billion in the 1977–78 year.

Chapter 569, Statutes of 1978, provided for a \$115 million increase in tax relief for the budget year. This Statute expanded the Renters' Tax Relief Program to include welfare recipients, provided that the disabled, regardless of age, are eligible for the Senior Citizens' Property and Renters' Tax Assistance programs, and increased the benefits of the Senior Citizens' Renters' Tax Assistance Program.

The following is a discussion of selected tax relief programs:

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This program provides financial assistance for local property taxes paid by 375,000 low-income homeowners who are 62 years of age or older. Chapter 569, Statutes of 1978, expanded this program to include the disabled, regardless of age, at a cost of \$7 million. The decrease in property tax liabilities resulting from the passage of Proposition 13 reduced the program cost by over \$40 million in the budget year.

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This program allows senior citizens, 62 years of age or older with incomes of \$23,200 or less for calendar 1978 to completely defer payment of their property taxes on the home they occupy. For succeeding years, the income limit will be adjusted upward to reflect changes in the California Consumer Price Index.

The following table shows the costs of the Senior Citizens' Property Tax Deferral Program.

	1977–78	1978-79	1979-80
	Actual	Estimated	Estimated
Costs:			
State Controller Franchise Tax	\$160,603	\$338,087	\$355,599
Board	197,000	60,000	60,000
Assistance Provid-			
ed	12,700,000	10,000,000	12,000,000
Interest on Assis-			
tance1	400,000	1,700,000	2,700,000
Total Costs	\$13,457,603	\$12,098,087	\$15,115,599
Repayments of As-			
sistance	\$152,459	\$2,000,0002	\$1,500,0002
Interest on Repay-			
ments	970	70,000	105,000
Sale of Property		50,000	165,000
Total Repay-			
ments	\$153,429	\$2,120,000	\$1,770,000
N	012 204 474		
Net Annual Costs	\$13,304,174	\$9,978,087	13,345,599
Net Cumulative Costs	\$13,304,174	\$23,282,261	\$36,627,860
Properties Subject to			
Lien	9,900	11,500	13,000

<sup>&</sup>lt;sup>1</sup> Interest cost determined by using average earning rates of Pooled Money Investment Account.

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This program provides assistance to nearly 600,000 low-income renters, 62 years of age or older to offset a portion of local property taxes included in their rent. Chapter 569, Statutes of 1978, expanded the benefits; increased the income limit, adding about 250,000 new recipients; and included about 275,000 disabled, regardless of age, at an additional cost of \$94 million. Assistance ranges from 96 percent to 4 percent for eligible claimants with incomes up to \$12,000. The property tax equivalent was increased from \$220 to \$250 with a maximum payment of \$240.

<sup>&</sup>lt;sup>2</sup> Includes property tax assistance offsets to postponements of liens.

# The Legislative Mandate Program

(Changes and Accomplishments)

History

An early effort to limit rapidly increasing property taxes was the enactment of Chapter 1406, Statutes of 1972 (SB 90). That legislation established maximum property tax rates, which was intended to limit the amounts collected by local government and, at the same time, required the State to reimburse local government for the costs of any state-mandated programs. Initially, such reimbursement was limited to the costs of legislative acts enacted after January 1, 1973. However, cities, counties and special districts were also entitled to reimbursement of costs resulting from the issuance of executive regulations after that date; school districts were specifically excluded from that entitlement.

As the Legislature considered bills during the 1973–74 Session, it began to provide interpretations of which types of state actions constituted state mandated programs whose costs were to be reimbursed by the State. It did this by including policy statements in certain legislation indicating that such legislation did not qualify for reimbursement of its costs because it was outside the scope of the programs which the legislation previously committed the state to reimbursing. In addition, the Legislature also occasionally included language in bills stating that while a bill's costs were technically reimbursable, the bill would be exempted from the reimbursement requirements of SB 90.

In the years since 1972, a number of modifications to the original SB 90 have been enacted. These modifications have generally served to broaden the scope of activities which qualify for state reimbursement and to simplify the processes for obtaining that reimbursement. For example, school districts have been made eligible for reimbursement of costs incurred as the result of the issuance of executive regulations after January 1, 1978. The State Board of Control has been empowered to accept and arbitrate claims from local governments based on executive regulations. That authority has been expanded to include claims based on actions of the Legislature.

## **Operations**

Since the institution of the reimbursement program in 1973 many bills have been enacted which have provided funds for local governmental entities for costs incurred because of state mandates. For these programs, the State Controller is responsible for developing parameters and guidelines for payment of claims against the specific Statutes. In the event that there are insufficient funds to pay all of the claims, additional funds are requested from the Legislature through an omnibus claims bill. It should be noted that the Department of Finance makes available to the Controller copies of the mandate cost estimates prepared by the Local Mandate Unit to insure that his office will have the benefit of as much information as possible relating to mandate policy and cost as considered by the Legislature.

After the passage of the original SB 90 legislation, the Legislature developed a series of disclaimers to limit the State's liability for costs incurred by local governmental entities in complying with mandates. The disclaimers, as originally utilized, were to declare legislative intent

that for a specified reason the State was not electing to reimburse a particular legislative enactment or program. These specified reasons, or disclaimers, became formalized as follows:

- 1. Court mandates
- 2. Federal mandates
- 3. Initiative enactment
- 4. Local requests
- 5. No new duties
- 6. Subsequent executive orders
- 7. Nonreimbursable revenue loss
- 8. Technical change
- 9. General legislative
- 10. No additional cost
- 11. Crimes and infractions
- 12. Cost-savings
- 13. Normal operating procedures
- 14. Self-financing authority
- 15. Minor cost
- 16. No first-year cost

However, the enactment of Chapter 1135, Statutes of 1977, significantly reduced the effectiveness of these disclaimers and now the Board of Control can accept virtually all claims regardless of whether there is a legislatively approved disclaimer. This law change has the net effect of denying the Legislature an opportunity to evaluate the fiscal and/or mandate aspects of a bill and make a determination of whether the State or Local Government should most appropriately pay for a particular piece of legislation.

Once the Board of Control has determined that a chaptered bill contains a state mandate, unless the Legislation contains specific instructions or describes precisely what the bill expects of local government, the Board of Control, by law, is required to conduct public hearings and adopt parameters and guidelines. The purpose of the parameters and guidelines is to enable both the Controller and the claimants to utilize common criteria for evaluating cost elements in the claims/payment process. Comments for the hearing are solicited from the claimants, Department of Finance, other interested or affected entities and the Board staff.

# Problems and Issues

From the standpoint of local government, there is a continuing concern about the Board of Control and legislative action on mandated costs claimed through the Board of Control process. That is, a statute may impose a requirement on

local government without the fiscal resources (appropriation) to reimburse them to implement the requirement. Without those resources local government must utilize the claims process and hope that the Board of Control will declare that the statute mandates a duty and agrees, further, that costs have been incurred and are reimburseable by the State. The second hurdle in this process arises when the Board of Control sponsored claims bill is considered by the Legislature. There is no guarantee the claims will be approved.

Another concern of local government is the time elapsed between the point when costs are incurred and a warrant is received from the State. This time-frame may be as long as one and one-half years from the date of implementation to the receipt of the reimbursement.

Further, local government is also interested in the degree of detail and personnel time involved in the claims preparation, presentation and follow-up activities in the Board of Control process

The State generally agrees with the problems identified by local government and, in addition, has recognized several other problems in connection with the administration of this program. These are:

- 1. There appears to be a lack of a defined process for evaluating the need to continue previously mandated activities, i.e., the absence of a "sunset provision" in mandated legislation.
- 2. The Board of Control, as a result of recent amendments to the SB 90 law, currently has the authority to review all local govclaims for reimbursement ernment whether there is or is not disclaimer language in the statute. The Legislature no longer has the ability to determine which level of government should bear the costs of a particular piece of legislation. There appears to be uncertainty regarding the State's liability to reimburse local government when mandated legislation contains legislative disclaimers of one kind or another.
- 3. The State is without the authority to recoup or offset savings or program reductions mandated on local government. For example, recent legislation transferred the mailing of election materials to voters from

local government to the Secretary of State. This shift created a savings to local government of approximately \$1.3 million. There is no way, under the SB 90 law, to reflect this windfall savings to local government as an offset against the State's costs.

4. Still another problem is legislation which, during its passage through the Legislature, is alleged to contain no mandate, to have no cost, to have offsetting cost/savings or otherwise to have no fiscal impact on local government, yet later the Board of Control determines the legislation contains a mandate and, perhaps, costs as well.

While there are a number of other problems which should be resolved to improve this program, one other major issue to be illustrated is the growth of the program since its inception and implementation in 1973. Expenditures have increased from \$3.2 million in 1973–74 to over an estimated \$84.8 million in 1979–80 with the potential of an additional \$27 million, for a total cost of approximately \$111.8 million in just six years. Many of these expenditures are of a continuing nature and, therefore, the costs will continue to increase over time. The rate of increase will be governed by future legislation and how the Legislature views the State/Local Govern-

ment relationship with respect to that legislation. One of the objectives of this presentation is to afford the Legislature an opportunity to be fully aware of the cumulative effect of mandate legislation on the fiscal resources of the State and Local Government. Further, this display will serve to point out the need for remedial legislation to correct some of these problems.

# LEGISLATIVE MANDATES—1979–80 GOVERNOR'S BUDGET

The Legislative Mandate budget is presented separately for the first time in the annual Governor's Budget as a means of identifying on a cumulative basis, those mandated programs for which State funding is being provided. The budget is presented in two elements: first, those mandated programs which are reflected within the budgets of state agencies with administrative responsibility for the affected programs; and, second, those mandated programs which do not fall within the jurisdiction of any state agency. The latter presentation also includes a preliminary estimate of the potential cost to the State of programs approved for funding by the Board of Control but for which legislative approval has not yet been obtained.



# State Construction Programs

(Changes and Accomplishments)

Capital outlay construction is divided into several programs of which the most encompassing is the State Building Program. This program includes proposed capital outlay requirements for publicly supported education, higher education, mental health, developmental services, health, corrections, and general office space. It also provides for meeting the requirements of several agencies, including the Department of Forestry, Department of Fish and Game, Department of Motor Vehicles, Department of the California Highway Patrol, State Highway Program, and the Department of General Services.

The sources from which the capital outlay

program is funded are:

1. Current revenues and any accumulated balances in governmental cost funds including moneys collected in the form of taxes, license and permit fees, interest on investment, and similar items of income.

2. Proceeds from the sale of general obligation bonds secured by the "full faith and credit" of the state. Outstanding bonds of this kind include (a) State Construction Program bonds and (b) State Beach, Park, Recreational, and Historical Facilities bonds. The repayment of principal and interest on such indebtedness constitutes a preferred claim on the financial resources of the state. Within this classification falls a special category referred to as "self-liquidating" bonds. Bonds in this category are the California Water Resources Development bonds. In the case of this special grouping, such bonds although legally possessed by the characteristics of general obligation bonds are serviced from the revenues produced by the ventures or

projects financed in this manner.

3. Revenue bonds that are secured solely by the income derived from the use or opera-

tion of the facilities thus funded.

4. Trust certificates representing a form of capital financing which makes use of the large balances accumulated in trust accounts or funds of the state. Because such funds are dedicated to meet future obligations, sound fiscal management dictates the investment of the currently unneeded cash in these accounts and funds. One way of investing these moneys is to purchase trust certificates issued by the state for the construction of general purpose office buildings.

5. Funding for all education capital outlay is from three sources: (1) General Fund. (2) the Capital Outlay Fund for Public Higher Education, and (3) proceeds from the sale of Health Sciences Facilities Construction Program Bonds. Minor capital outlay projects for the Department of Education are to be funded from the General Fund. Capital outlay projects for the University of California, Hastings College of the Law, California State University and Colleges. the California Maritime Academy and the Community Colleges are to be funded from the Capital Outlay Fund for Public Higher Education (COFPHE). Health Sciences facilities other than acquisition of Sacramento Medical Center are to be funded from the additional proceeds of the Health Sciences Facilities Construction Program Bond Fund.

To provide a complete and comprehensive picture of the state's capital outlay program all

proposed projects are included in the capital outlay budget regardless of the source of financing.

Following the generally accepted principles of governmental accounting however, only expenditures from governmental cost funds are included in the budget totals. Governmental cost fund along with selected bond fund expenditures are included in the overall expenditure totals. Expenditures from bond proceeds and other forms of borrowing are reported as expenditures of the fiscal years in which the payments on principal and interest are made.

The Department of Food and Agriculture 1979–80 Capital Outlay Program provides \$1,582,500 for the construction of a Poultry and Livestock Diagnostic Laboratory in San Bernardino. This is a continuation of the project for which \$97,800 was included in the 1978–79 budget for planning and working drawings.

The Wildlife Conservation Program, as administered by the Department of Fish and Game and the Wildlife Conservation Board, provides for the protection, propagation, and management of the State's fish and wildlife resources. The State, Urban, and Coastal Park Bond Act, as approved by the voters in November, 1976, makes \$15,000,000 available to the Wildlife Conservation Board for acquisition and general development. In 1979-80 these funds will continue to be allocated for this expanded program. In addition the Department of Fish and Game's capital outlay budget includes \$4,000,000 which is mostly for modernization and expansion of fish hatcheries. Revenues from increased license fees have helped to overcome prior financial problems which precluded these projects in recent years.

The Department of Parks and Recreation's Acquisition and Development Program reflects the continuing effort to meet California's recreational needs. The 1979–80 budget for this program includes \$17,550,000 for acquisition of new lands for the State Park System. These projects will be funded from the Collier Park Preservation Fund, the Park and Recreation Revolving Fund, the Off Highway Vehicle Fund, and the State Urban and Coastal Park Bond Fund.

The 1979–80 budget for facilities development includes \$1,998,400 for minor capital outlay projects and \$268,350 for working drawings for day use facilities at Candlestick Point State Rec-

reation Area. No other capital outlay funds are budgeted in this program in order to provide an opportunity to reassess the type and quantity of development which should be undertaken in order to keep ongoing operating costs to a minimum level.

The Division of Exposition and State Fair's Construction Program includes \$525,000 for various minor improvements. Consideration of further major construction projects await the adoption of the program and facilities master plan currently being formulated.

The California Water Facilities Program reflects the funding of the State Water Project as it enters its 18th year. Construction work for those facilities necessary for the initial deliveries of water in Northern California, the San Francisco Bay area, the San Joaquin Valley and southern California are operationally complete. However, there is still considerable on-going planning, design, and construction activities for correcting deficiencies uncovered during operational testing, facilities phasing, and power supply. The major emphasis during 1979–80 will be on obtaining additional power sources for the Project, particularly from geothermal and coal resources.

The Department of the Youth Authority's Capital Outlay Program of \$2,253,900 for the 1979–80 fiscal year covers a number of priority projects, including funds for preliminary planning and working drawings for a new Infirmary and a Vocational Education Shop at Preston School of Industry. The Department's 1979–80 Capital Outlay Program also provides \$455,500 for the replacement of the security sound systems at various Youth Authority Institutions.

The Department of Corrections is experiencing continued population growth. It is imperative to move ahead with the process of planning and construction of new correctional institutions to provide sufficient capacity to meet this need. Chapter 789, Statutes of 1978 (SB 1342) appropriated \$7.6 million for preliminary planning for maximum security facilities and other specified purposes. However, in order to maintain the momentum, the Department's Capital Outlay Program for fiscal year 1979–80 includes \$100,000,000 for the next phase of planning, construction and equipping new facilities. An additional \$3,196,206 is also provided in the Department's 1979–80 program to cover a number

of priority projects including security renovation projects at San Quentin State Prison and Deuel Vocational Institution, Tracy.

The Department of Motor Vehicles Capital Outlay Program of \$4,102,750 for the 1979–80 fiscal year proposes construction funds for office buildings at Compton, Oroville, Davis, Vallejo, and Victorville.

The Department of the California Highway Patrol Capital Outlay Program of \$3,208,146 for the 1979–80 fiscal year proposes construction funds for area offices at San Juan Capistrano, Riverside, and Santa Cruz; site acquisition funds for an area office at Hollister-Gilroy; and funds to purchase leased facilities at Chico, Banning, and Mojave.

The Department of General Services 1979-80 Capital Outlay Program proposes total expenditures of over \$38.3 million of which \$34.1 million is for the continuation of new State building projects originally proposed in the 1978-79 budget for which funds were reserved. These buildings are: Equipment for site 1A and construction of sites 1-C and 3 in Sacramento, planning for Sacramento sites 1-D, 4 and 5, working drawings for Sacramento site 6 and Van Nuys, and land acquisition and planning for a new building in Oakland.

Also included are new funds in the amount of \$4.2 million for a number of projects of which the more significant are: the construction phase of the Gasification Technology Project at the Sacramento central heating and cooling plant and the design, construction and operation of two peripheral parking sites in Sacramento.

The Employment Development Department Capital Outlay Program for 1979–80 represents a continuation of construction of field offices for departmental activities, and includes ten projects consisting of working drawings, site acquisition, general improvements, and planning funds. The total cost of \$3,485,600 for these projects will be recovered by the fund from which they are financed by monthly payments from federal sources.

The Department of Developmental Services' Capital Outlay Program of \$52,935,432 for the current year includes a \$6.2 million deficiency for fire and life safety and environmental im-

provement efforts. In order to forestall the loss of Federal financial participation under Title XVIII and XIX in excess of \$1 million monthly, the Director of the Department of Finance authorized a loan from the Emergency Fund of \$820,000 to the Department to provide that clients residing in the state hospitals in 1982 be in code-conforming buildings. In fiscal year 1978–79, deficiency legislation in the amount of \$6,203,893 will be supported to repay the Emergency Fund loan, fund preliminary plans for an additional 33 patient-occupied buildings in the state hospitals, and provide for temporary building while construction is in process.

The budget year program of \$43,812,490 includes a number of high priority projects in the state hospitals. The budget includes \$39,226,563 for construction of the additional 33 patient occupied buildings and construction and cost updates for projects previously budgeted for fire and life safety and environmental improvements. In total, this amount coupled with amounts previously budgeted for fire and life safety and environmental improvements represents a commitment of approximately \$95 million. Other major capital outlay expenditures in the amount of \$3,620,625 are proposed for air conditioning, and upgrading electrical distribution systems in several state hospitals; improving water service at Camarillo, alterations to the laundry at Fairview, replacement of hot water lines at Napa, and elevator replacement at Sonoma. Minor capital outlay expenditures of \$965,302 are included for various projects in each state hospital.

The Department of Mental Health's Capital Outlay Program of \$1,568,808 includes funds for a security alerting system (Phase II) and air conditioning at Atascadero State Hospital; replacement of boilers and air conditioning at Metropolitan State Hospital; and \$143,008 for various minor capital outlay projects.

The Department of Health Services' Capital Outlay Program includes \$965,874 for several projects at the Berkeley Public Health Building and miscellaneous statewide office alterations. These projects include autoclave replacement, remodeling, modernizing elevators, restrooms and minor capital outlay.



# Tax Expenditures

It has only been in the last 10 years that attention has been given to tax expenditures. The California Legislature recognized by enactment of Chapter 1762 in 1971 that the State budget did not provide a complete accounting of total expenditures. Chapter 575, Statutes of 1976, requires the Department of Finance to prepare a tax expenditure report to be included in the Governor's Budget for each fiscal year beginning in an odd-numbered year. At the federal level, the Congressional Budget Act of 1974 required that tax expenditures be a part of the budget, beginning in fiscal year 1976.

In recent years the public has become increasingly concerned about the level of public spending, as evidenced by the current tax limitation movement. However, there is little public awareness of the magnitude and purpose of tax expenditures, which are essentially equivalent to direct expenditures. This report estimates that California tax expenditures exceed \$6.6 billion. In addition there are \$2.7 billion of local property and sales tax expenditures. To put these figures into perspective, State tax expenditures are equal to 36 percent of State revenues and property tax expenditures represent more than 40 percent of local property taxes.

Tax expenditures are revenue losses resulting from provisions of the tax laws that provide special or selective tax relief to certain categories of taxpayers. Such revenue losses are called tax expenditures because they are very much like payments made by government except that they are made through a reduction in taxes rather than through the legislative appropriation process.

For example, if a person in the ten-percent state income tax bracket contributes \$1,000 to charity, then the State income tax is reduced by \$100. Under the current procedure, the taxpayer chooses the recipient of the contribution. Instead of allowing this deduction, the State could collect the \$100 in tax and then spend the \$100 for a program of its own choosing—e.g., tax relief.

Tax expenditures provide relief in the following manner:

- 1. Special exclusions, exemptions and deductions, which reduce the amount of taxable income and therefore result in a lower amount of tax. For example, excluding municipal bond interest from the income tax, exempting the sales of candy from the sales tax, or allowing a deduction for bad debts in the bank and corporation tax.
- 2. Preferential rates, which reduce taxes by providing a lower tax rate on similar activities. For example, the one-half of one percent insurance tax rate that is applied to premiums on annuities whereas the rate on all other premiums is 2.35 percent.
- 3. Special credits, which are subtracted from the actual taxes due. For example, the income tax credit allowed for solar energy devices.
- 4. Deferral of tax, which generally results from allowing, in the current year, deductions that are properly attributable to a future year. For example, accelerated depreciation.

The tax relief provided by tax expenditures is

generally available to any taxpayer who meets the requirement of the tax law. It is similar to an expenditure item in the budget. However, with tax expenditures the amount expended is usually not subject to any annual review or limit.

## Levels of Tax Expenditures

Tax expenditures frequently have been enacted to: (1) enhance the business climate, such as the 50 percent exemption of inventories from the property tax; (2) provide tax relief, such as exempting low-income persons from income taxes; (3) provide equal treatment for certain kinds of property, such as taxing sport fishing boats in the same manner as commercial fishing boats; (4) provide a relatively low tax rate to allow an infant industry to flourish, such as the one-cent per gallon tax on wine; (5) expand an exemption already granted, such as extending the food exemption to candy; or (6) conform with federal law, such as the retirement credit for the elderly.

Unlike legislative appropriations, a tax expenditure is usually not reviewed unless (1) it has received unfavorable publicity, as with the oil depletion allowance; (2) the Federal law has been changed; or (3) the law enacting the tax expenditure has a provision that causes the tax expenditure to expire on a given date or event.

According to the study on tax expenditures prepared for the Commission on Government Reform, there are over 200 identifiable tax expenditures in the California State and local structure. We estimate that these tax expenditures will total \$9.3 billion in 1979–80, or approximately one-third of all tax receipts.

Tax expenditure estimates cannot be simply added together to form totals for functional areas or a grand total. In some cases, the revenue gain resulting from the deletion of two tax expenditure items would be greater than the sum of the individual estimates. For example, if interest income from State and local government securities were made taxable and capital gains were taxed at ordinary rates, many individuals would be pushed into higher tax brackets than if just one of these sources of income became fully taxable; the combined effect on revenue would be greater than the sum of the two separate estimates.

In other cases, the revenue gain from the deletion of two items would be smaller than the sum of the individual estimates. If the deductibility of mortgage interest payments and homeowner property taxes were both repealed, and the standard deduction unchanged, many individuals who now itemize their deductions for income tax purposes would opt for the standard deduction, thus limiting the revenue gain. In general, elimination of multiple items that are personal deductions would increase revenues by less than the simple sum of the revenue gains from eliminating each item measured separately, since many taxpayers would switch to the standard deduction. Conversely, elimination of multiple items that are exclusions from adjusted gross income would increase revenues by more than the sum of the individual gains as taxpayers would be pushed into higher tax brackets. Where tax expenditures for both individuals and corporations result from the same tax code provision, the two estimates may appropriately be added together.

The Legislature should review all existing tax expenditures in order to identify the beneficiary, and to determine if the original objectives are still deserving of the subsidy. It should be recognized that tax expenditures are subsidies granted to a special category of taxpayers and are financed by all other taxpayers. If all personal income tax expenditures were repealed, then the resultant revenue gain would allow personal income tax rates to be reduced by more than half. If all property tax exemptions were repealed, property taxes could be reduced by at least 40 percent.

## 1978 Legislation

During 1978, tax expenditures were enacted in the personal income, inheritance, sales, horse racing, and bank and corporation taxes. These laws are expected to reduce State revenue by almost \$710 million in 1978-79 and \$72 million in 1979-80. The largest of these, Chapter 569, quadrupled the personal credit for the 1978 income year, increased personal credits and the standard deduction by the increase in inflation, provided for a tax credit for the elderly and allowed persons who sell their homes a one-time exclusion from gross income of up to \$100,000 of the gain from the sale. Chapter 388 excluded gifts made before January 1, 1977 in the computation of inheritance taxes and is expected to reduce 1979-80 revenue by \$5 million. Chapter 1159 expanded the basis for the solar energy

devices income tax credit at a cost of \$1 million annually. Chapters 20 and 129 provided preferential tax rates to smaller horse racing meetings at a cost of \$825,000 annually.

Various minor exemptions were enacted to the sales tax law. These included sales made by parent-teacher associations, vitamins sold by chiropractors, Medic-Alert tags, works of art sold to certain museums, and materials needed to convert vehicles for the handicapped.

A summary of the levels of identifiable tax expenditures by major tax is shown in the following table.

# IDENTIFIABLE TAX EXPENDITURES 1979–80

	(In Millions)
State tax expenditures:	
Personal income taxes	\$3,838
Retail sales and use taxes	1,835
Inheritance Tax	660
Bank and corporation tax	. 152
Motor vehicle fuel taxes	. 80
Insurance tax	40
Horse racing	. 5
Total State tax expenditures	\$6,610
Local tax expenditures:	
Property tax	. \$2,144
Sales tax	. 514
Total local tax expenditures	\$2,658
TOTAL	\$9,268

# Property Tax

The passage of Proposition 13, which reduced local tax revenue by approximately \$7 billion in 1978–79, makes the study of property tax expenditures particularly appropriate at this time. Proposition 13 reduced receipts of this tax by over 50 percent, and this reduction should be considered by the Legislature in the evaluation of existing property tax expenditures. In light of the low property tax rates and local funding needs, the legislature may want to determine if some of them are still appropriate.

The property tax is an ad valorem tax based on the assessed value of property as of March 1 and is the largest source of revenue for local government in California. Property is defined as property capable of ownership whether real, personal, tangible or intangible. The State Board of Equalization assesses property owned by public utilities and sets standards by which local governments assess all other property. The tax liability is determined by applying the one-percent tax rate prescribed by Section 1A, Article XIII-A, plus the rate needed to pay interest and re-

demption charges of any indebtedness approved by the voters before June 7, 1978 to the base year value adjusted annually by an inflation rate not to exceed 2%.

Originally, property taxation was based on the assumption that a physical stock of wealth was the most equitable measure of ability to pay a tax. However, as the economic system developed, other measures of ability to pay, such as income, expenditures, and intangible assets (stocks, bonds, etc.) became more important. At the same time, the establishment of long-term mortgages and installment purchases (allowing other than the very wealthy to own property) made ownership of tangible property a less precise measure of ability to pay. Many exclusions, exemptions, and preferential rates have been adopted to reflect these changes.

The Constitution provides that all real property exemptions must be made by constitutional, rather than statutory, amendment. The following highlights some constitutional changes that illustrate this.

In 1894, fruit and nut trees under four years of age, and grapevines under three years old were exempted. Church property was first explicitly exempted in 1900. Insurance companies' personal property was exempted when they were placed under an in-lieu tax structure in 1910. The taxation of intangibles under the general property tax was abandoned when the Constitution was amended in 1924 to give the Legislature authority to "provide for the taxation of intangibles in a manner, at a rate, or in proportion to value different from other property." In 1944, the "welfare exemption" was added to the Constitution. This provision allows the Legislature to fully or partially exempt property used for religious, hospital or charitable purposes if it is owned and operated by a nonprofit organization. Legislation enacted in 1945 expanded the exemption to include property used for scientific purposes. Today the exemption is extensively used, and has been interpreted by the courts to cover a variety of uses.

Recent constitutional changes have concentrated on providing for a value standard other than full cash value rather than directly exempting items from the base. In 1960, 1966, and 1972, the State adopted provisions which restrict the factors to be used in assessing the value of golf courses, open-space lands, and owner-occupied

single-family dwellings. In contrast, a 1968 constitutional amendment was adopted which granted homeowners an exemption of up to \$750 of their assessed value. In 1972, the people extended the homeowner's exemption to \$1,750 of assessed value.

In June 1978, the voters, in adopting Proposition 13, placed a limit on the tax rate that could be used and restricted the amount of increase by which the assessed value of a property could increase unless a change of ownership occurred. In November 1978, Proposition 13 was amended to allow real property reconstructed after a disaster, as declared by the Governor, not to be considered as newly constructed for property tax purposes if the fair market value of such property, as reconstructed, is comparable to its fair market value prior to reconstruction. The Legislature also excluded certain transactions from the definition of a change in ownership, such as interspousal transfers.

The following have been identified as property tax expenditures.

#### PROPERTY TAX EXPENDITURES

	1979-80
	Cost
Government-owned property.	\$656,000,000
Household furnishings	400,000,000
The homeowners' exemption of \$7,000 of full value	354,000,000
Business inventories (50 percent exempt) reported	,,
on business property statement	238,000,000
Bonds (and intangibles).	200,000,000
Property used exclusively for religious, hospital, sci-	
entific, or charitable purposes	79,000,000
Property used exclusively for public schools	66,000,000
Open-space property.	50,000,000
Church property	31,000,000
Colleges	23,000,000
Computer software	10,000,000
Livestock.	6,000,000
Student organization personal property	5,700,000
Ground time exemption for air carriers.	3,550,000
Aircraft owned by U.S., State and political subdivi-	
sion or foreign government	3,000,000
Vessels, over 50 tons, or vessels used exclusively in	
commercial fishing	3,000,000
Disabled veterans' residence exemption of \$60,000	
of full value	2,660,000
Aircraft being repaired.	2,000,000
Baled cotton.	2,000,000
Racehorses, foals.  Movie film.	2,000,000
	1,500,000
California Academy of Sciences, School of Me-	
chanical Arts, Huntington Library and Art	
Gallery, and the Cogswell Polytechnic College.	1,000,000
Cemeteries	1,000,000
Fruit, nut trees under four years, and grapevines	
under three years of age or held for planting. Growing crops, including turf grass.	1,000,000
Vessels \$400 market value or loss	1,000,000
Veteran's exemption on property in the amount of	1,000,000
\$1 000 for a single veteran who ower are	
valued at less than \$5,000 or for a married	
Vessels, \$400 market value or less	1,000,000

veteran with property less than \$10,000. ......

Veterans' organizations property	20,000
Wine and brandy.	15,000
Business records.	7,000
Blind vending stand operator, does not apply to	,,,,,,
cafeterias. Exempts first \$1,500 of inventory.	N/A
Blood and human body parts.	N/A
Civil Air Patrol, personal property only	N/A
Documented vessels.	N/A
Goods in interstate or foreign commerce	N/A
Historic property.	N/A
Livestock, raised by nonprofit youth organization	N/A
	11/74
Personal property owned or leased by educational	
TV and FM stations.	N/A
Property brought to this State for exhibition at a fair	
or exposition	N/A
Property used for free public libraries and free mu-	
seums is exempt.	N/A
Seed potatoes held for planting.	N/A
Timber.	N/A
Vessels under construction.	N/A
Works of art made available for display in a public-	
ly-owned gallery or museum	N/A
Total	\$2,143,831,000
	02,1 10,001,000

#### Considerations

Since tax expenditures are subsidies provided to certain categories of taxpayers by all the taxpayers, it is desirable that the public should obtain a benefit from the recipient wherever reasonable. Simply stated, a public subsidy should result in a public benefit. This principle was incorporated last year by Chapter 1019 which exempted from the sales tax works of art purchased by museums, provided the museum allows the public free admission to all or part of its exhibits for a stipulated period of time. Thus, the public, in providing the sales tax exemption, may view that property without charge in exchange for the exemption. A similar provision is contained in the property tax law which provides that property used exclusively for the preservation of native plants or animals, or open-space lands used solely for the recreation and enjoyment of scenic beauty, is exempt from property tax provided it is open to the public. In this context, consideration might be given to the requirement that the beneficiary of a charitable bequest be located in this State in order to obtain a reduction in State taxes.

Some tax expenditures in the property tax which could be considered for amendment to provide a public benefit are:

Exempt works of art from the property tax if displayed without an admission charge in California.

Allow some free admission to exhibits brought into the State as a condition of exemption.

379,000

Require all hospitals to maintain and staff emergency facilities as a condition of receiving the tax exemption.

Require tax exempt schools and colleges to make available, under reasonable conditions, some of their facilities such as meeting rooms for community organizations or library access to local residents.

Disallow property tax exemptions to organizations, other than religious or ethnic, that practice discrimination against a segment of the population such as the handicapped or elderly.

Consideration might also be given by the Legislature to imposing a fee on all exempt improved property to pay for some of the services provided to that property. This fee could be based on the amount of exempt square footage or other nonvaluation measure, and could be applied against State property as well as other property.

#### Sunset Provisions

Programs that include a termination date are said to contain a "sunset provision." Sunset provisions are usually enacted to give the Legislature time for study and to determine if it is desirable to continue the program. Frequently a bill will receive the necessary votes for passage only after a time limit is added to the measure.

Much has been written about putting time limits on certain tax expenditure provisions so that the program could be evaluated. We believe that this review process should be realistic and follow an accepted schedule. The sunset concept calls for a termination of the program unless it

is affirmatively reenacted. The purpose of this requirement is to compel a review of each program. Part of the review process should contain a requirement that the matter be heard by a legislative interim committee. The studies that have been made for the Legislature in conjunction with sunset provisions have been prepared by the Office of the Legislative Analyst. Quite frequently the data required to prepare an analysis of the economic impact and cost of a particular exemption are unavailable and the resultant study is inconclusive. In the absence of any information, the Legislature has frequently reenacted the exemption without another sunset provision rather than direct a definitive study. We recommend that every study should include a firm recommendation as to continuation or curtailment of the program.

Another approach to putting a time limit on tax expenditure provisions might be to put a dollar limit on it. For example, Chapter 1082, Statutes of 1977, which provided the solar energy tax credit, is scheduled to expire after the 1980 income year. At the time that this bill was considered, it was estimated that it would result in a \$90 million revenue loss during the life of the bill. The Legislature could have terminated the credit in the year that it would be concluded that the \$90 million cost would have been reached. This would have the advantage of putting an absolute limit on the amount of cost the State would be willing to assume for a particular program. If it were believed, as in this case, that it would take a \$90 million subsidy to get this industry started, then it should not matter whether the \$90 million cost occurs in one year or in ten years.

## State Tax Expenditures

The following table summarizes the 1979-80 cost of state tax expenditures which have been identified. Estimates were made on each tax expenditure individually and no allowance was made for their interaction. A variety of data sources were used in order to prepare estimates of these costs.

<b>Estimated Annual</b>	Cost
(In millions)	

Sales and Use Tax				
	State	Local		
Food				
To be consumed at home	\$800	\$224		
Candy	45	13		
Vending machines—33% provision	12	3		
Gas, electricity, and water	525	147		
Vessels and aircraft	200	56		
Cargo and returnable containers	110	31		
Prescription medicines	75	21		
Newspapers and periodicals	26	8		
Leases of motion pictures	20	6		
Option to pay on cost rather than rental				
receipts	13	4		
Sales by charitable organizations	2	0.5		
Master tapes	2	0.5		
Vending machine operators	2	0.5		
Monetized bullion	1	-		
Optometrists and podiatrists	1	-		
Hot food sold to airlines	1			
Total	\$1,835	\$514.5		

Costs not available—Sales to U.S. government, sales to banks, common carriers, out-of-state contractors, printing materials, certain meals, property loaned to educational institutions and occasional sales.

#### **Bank and Corporation Tax**

	State
Exploration and development expenses	\$40
Accelerated depreciation	35
Research and experimental expenses	20
Exempt corporations (from minimum tax only)	13
Charitable contributions	10
Solar energy devices	10
Depreciation of low-income rental housing	6
Exemption from preference tax	6
Percentage depletion	5
Bad debt reserves	4
Certain agriculture costs	2
Pollution equipment	1
Total	\$152

Costs not available—Cooperatives, lessee improvements; foreign sea or air carriers; periodical circulation expenses; deferral or organization expenses; certain dividends; real estate investment trusts; consolidated filing; installment sales; trademark expenses; life insurance proceeds.

# Personal Income Tax

	State
Interest expense	\$735
Personal and dependent credi	450
Property, sales, and vehicle taxes	370
Capital gains exclusion	350
Charitable contributions	215
Trade & business expense, union dues and miscellaneous	195
Employer contributions to pension plans	190
Medical expenses	130
Head of household status	115
Employer contributions to health plans	115
Employee business expense	97
Standard deduction	90
Income averaging	75
Social Security Income	58
Capital gains on death	50
Interest on government bonds	44
Expensing of certain agricultural costs	38
Compensation for injuries or sickness	30
Low income credit	30
Exclusion of \$100,000 of gain from sale of home	25
Individual retirement accounts & self employed retire-	
ment accounts	24
Casualty losses	19
Accelerated depreciation	16
Taxes paid to another state	15
Solar energy device/credits	15
Professional corporations	12
Meals & lodging furnished by employer	9
Moving expense	8
Scholarships & fellowships	5
Exploration & development costs	4
Percentage depletion	3
Timber valuation for capital gains	3
Military pay exclusion	3
Total	\$3,538
1 Utal	55,556

Additional items for which costs are not available or are of less significance include: small business first-year depreciation; periodical circulation expenses; research and experimental expenses; trademark expenses; exemption from preference tax; pollution equipment; rental value of parsonages; depreciation of child care facilities; child support and alimony; payments; sale of residence; certain deferred compensation; depreciation of low-income rental housing; political contributions; income splitting for surviving spouse; and employee death benefits.

#### Horseracing Tax

	State
Preferential rates	3
Preferential breakage treatment	2
Total	5

Cost not available—Preferential rates to class A and B beneficiaries (those related to donor); community property; charitable contributions; specific exemptions; annual exemption; intangible property.

#### Inheritance Tax

	State
Preferential rates: class A and B beneficiaries	\$315
Specific exemptions	235
Charitable contributions	100
Life insurance exclusion	
Total	\$660

Cost not available—Public pensions; armed services; war risk insurance; nonresident intangible property; open-space land valuation; powers of appointment.

#### Insurance Tax

	State
Nonprofit hospital service plans	\$27
Pensions and profit-sharing	12
Fraternal benefit societies	1
Total	\$40

#### **Alcoholic Beverage Taxes**

Cost not available—Industrial spirits and wine; distilled spirits used in food products; sales to government agencies for scientific uses.

#### Motor Vehicle Fuel Taxes

	State
Aircraft uses, primarily commercial	\$45
Sales to military	35
Total	\$80

Cost not available—Rapid transit systems.

#### **Motor Vehicle Fees**

Cost not available—Government vehicles; local passenger common carriers; privately owned schoolbuses.



# Revenue Estimates

#### THE NATIONAL OUTLOOK

The Nation's economy performed relatively well during 1978, with a level of activity on balance only slightly below the forecast made at this time last year. After a somewhat slow start in the first quarter, which was adversely affected by severe winter conditions in the northeast and the coal strike, activity picked up strongly during the second and third quarters. It is now estimated that real growth will amount to 3.9 percent for the year, about in line with the historical average.

Despite this performance, a number of severe problems arose which make forecasting for 1979 particularly difficult. The rate of inflation accelerated early in the year and for some months reached the double-digit level. As a result, monetary policy was tightened considerably, leading to a rapid rise in interest rates. Despite these developments, the underlying strength of the economy led to continued substantial increases in industrial production, employment, incomes and key sectors such as housing.

Projections for real economic activity in 1979 vary widely. In general, they fall within a range of a 1 percent increase for real gross national product to a high of approximately 3½ percent. This diversity in opinion arises in large part from the fact that the economy appears to be in a period of transition at the present time. It may be argued, on monetarist grounds, that high interest rates will lead to a sharp slowdown in activity by mid-1979, with a strong possibility of recession (two consecutive quarters of decline in real GNP). On the other hand, continued increases in key economic indicators are cited to support forecasts of further expansion at rates between 21/2 and 31/2 percent. Most forecasters are taking a position between these two extremes with projections in the 2 percent area. These projections, in effect, assume that national policies will lead to what is often referred to as a "soft landing." Under this scenario, federal fiscal and monetary policies would be successful in slowing the rate of growth in economic activity sufficiently to curtail inflationary pressures, while avoiding an actual downturn for more than one quarter. The projections of the Department of Finance have taken this middle ground as the most reasonable position possible at the moment.

There are a number of factors to support a forecast of real growth at the higher end of the range—approximately 3 percent for this year. The traditional indicators of recession, which frequently begin to soften or move lower sometime before a peak in economic activity, have yet to show signs of deterioration. Employment gains in the goods-producing industries, for instance, have been substantial with only a minor slowing during the third quarter of 1978. Incomes have increased steadily, supporting continued strong gains in retail sales. There had been no problem with disintermediation, or the net withdrawal of funds from savings institutions, as of the end of last year. This factor is particularly important for the housing industry. To some extent, furthermore, the acceptance of the variable rate mortgage, or VRM, has sustained demand even at the current relatively high level of interest rates for home mortgages.

On the supply side, industrial production has increased steadily in recent months. In the past, production levels have tended to stabilize for a considerable period of time before a downturn. There does not, however, appear to be any severe inventory imbalance which would suggest the potential for a major inventory reduction with accompanying cutbacks in production and employment. The situation with respect to investment is also favorable. In prior recovery and expansion periods, there has been a major upsurge in real investment activity which has added substantially to capacity. During the most recent expansion phase, investment gains have been relatively modest. As a result, there has been no large increase in capacity which would support the forecast of a cutback in investment

until such new capacity could be absorbed.

Perhaps the most important issue concerns monetary policy and interest rates. High levels of interest rates, accompanied by intentional or unintentional credit restrictions, have traditionally stunted economic growth. The situation in the current cycle is somewhat different, as interest rates have moved up from a relatively high level. The impact of high rates may be somewhat mitigated, therefore—a sharp contrast to the negative impact rate increases had four years ago coming off a much lower interest rate structure. Furthermore, corporate liquidity is in a better situation today than during the last recession. This factor, coupled with anticipated lower borrowing requirements than existed several years ago for State and local governments, suggests that monetary resources will be available for sustained levels of spending.

Interest rates are in the forefront of most nogrowth, or recession, scenarios. It is argued that with the prime rate at approximately 12 percent, there will be a substantial credit crunch and slowdown of activity in key sectors such as housing. This will lead to cutbacks in all areas of the economy, with declining employment and slow growth in income. Lower forecasts also assume that the Federal Reserve System will continue to contract or restrain expansion of the money supply until inflationary pressures can be brought down substantially from recent levels. It is also pointed out that real wages and salaries per employee are falling as inflation accelerates, which may curtail consumer spending. To date, only auto sales have shown any signs of moderation, easing slightly from exceptionally high levels. Other areas, however, continue to post significant gains. To the extent that the acceptance of higher debt levels has bouyed spending, any widespread layoffs could contribute to a general concern about job stability, and thereby lead to efforts to reduce obligations by cutting back sharply on nonessential consumption.

Finally, the length of the current expansion must be taken into consideration. As of December 1978, the United States had experienced 45 months of growth since the last recession trough. This expansion is long by historical experience, yet there are instances in which an expansion has run for a considerably longer period of time, the most notable being the 106-month period between February 1961 and De-

cember 1969.

In summary, it is possible to substantitate alternative forecasts: a recession, lasting from six to eight months; or continuation of the current expansion with perhaps one quarter of zero or negative real growth. The latter would be similar to that which occurred during the 1967 first quarter mini-recession.

The Department of Finance forecast for 1979 is for growth in real GNP of 2.1 percent. Personal consumption expenditures are expected to be weak for much of the year, and only moderate investment gains are anticipated. Real growth in the government sector will be reduced because of intensified efforts both to reduce the size of the federal deficit, and to curtail the rapid growth in State and local spending in many areas of the country. Interest rates, expected to peak during the first quarter this year, will impact most noticeably on housing activity; 1,750,000 housing units have been forecast for the year, compared to 1,970,000 in 1978.

Employment gains will be slight during the first half of the year and will average only 2 percent for 1979 overall. Personal income growth will slow to 10.4 percent.

The largest unknowns relate to the trend in interest rates and consumer prices. It is likely that interest rates will peak about the end of the first quarter. At that point, however, rates should be sufficiently high to deter unnecessary demands for funds, and therefore restrain activity in such critical sectors as investment, housing and major consumer durable purchases. Such developments could be expected to lead to gradual moderation in the rate of expansion of the consumer price index, and thereby encourage an easier monetary policy. This would set the stage for a resumption of growth in economic activity during the latter part of 1979.

The issue of consumer prices is tied to the President's recent guidelines announcement. There is considerable concern about the potential effectiveness of the guidelines, which would basically limit price increases to approximately 5¾ percent and wage gains to 7 percent. A number of modifications to the guidelines have been announced in recent weeks, suggesting that there will be room for adjustments above these levels in various instances. On the other hand, several key sectors of the economy appear likely to adhere to the guidelines, which will increase

the chances of the policy being effective in tempering, if not substantially reducing, inflationary pressures.

The \$18.7 billion tax cut enacted late last year will have a relatively minor impact on the economy. Approximately \$12.7 billion of the tax reduction will accrue to individuals starting in January of this year. A cut of this magnitude will not greatly stimulate consumer spending, particularly for the critical durable goods industry. Rather, it will offset the effect of higher social security taxes. Automobile sales, for instance, are expected to drop to 10.4 million units, down 8 percent from the 11.3 million achieved in 1978. Continuing strength in vans and small trucks, however, may counteract some of this apparent weakness for the industry. Consumption of services, in contrast, will continue to grow, although at a rate somewhat below that of 1978. Spending on nondurables will be determined in large part by the trend in food prices, which are expected to be up approximately 6 to 7 percent for 1979. An increase of 7½ percent during the year was assumed in OPEC oil prices, which will raise the cost of both gasoline and fuel oil. a Gradual decontrol of the domestic producing sector will also raise prices over time. While President Carter has the authority to decontrol petroleum prices entirely as of mid-1979, such an action would negate attempted control of inflation through the guidelines policies. This possibility has therefore been discounted in the present forecast.

Corporate profits, reflecting a general slowing in activity, are expected to amount to \$209 billion, an increase of 4 percent from the 1978 level.

The problems of the dollar overseas will continue during the coming year. While actions taken during the fourth quarter 1978 to strengthen the dollar were moderately successful, some further decline in value may still occur. This will have the effect of increasing import prices, and will thereby be inflationary to the extent that imported goods continue in high demand. The U.S. economy is in a strong position vis-a-vis most other nations, however. Furthermore, improvement of various European economies along with the developing price advantage of U.S. products may stimulate exports. While international concerns about the dollar continue, therefore, it is not anticipated that the depreciation of the dollar will lead to a sharp downturn

in economic activity in this country.

#### THE CALIFORNIA FORECAST

The California economy is expected to fare better than that of the nation, whether or not a recession, or growth pause, occurs this year. Much of this strength must be attributed to the exceptional performance in California during 1978. Wage and salary employment, for instance, was up by 7½ percent during the year. with strong gains in every major sector except government and mining. Largely as a result of this, personal income rose by 14 percent for the year, with a gain of nearly 15 percent in the important wage and salary component. There is inadequate information available to explain this phenomenal growth, although various factors may be suggested. There are indications, for instance, that the rate of net migration to California accelerated between 1977 and 1978, with a significant number of individuals moving to the State to take jobs secured while out of state. There are also reasons to suspect an increase in the relative proportion of part-time workers who may, to a large extent, be the second or even third worker in a family. It is also probable that hiring by relatively small firms gained momentum on a broad scale. The possibility of new business location in the State at a higher-thanusual pace may also be considered. For whatever reasons, nonagricultural wage and salary employment in 1978 amounted to 9,239,000, reflecting a growth of 651,000—the largest numerical increase ever, and a relative gain not experienced since the Korean War build-up in 1951. b In fact, if the California economy were to remain on a plateau during 1979, the annual averages would show significant gains due entirely to the high year-end level of activity.

The State's unemployment rate declined significantly during 1978 concomitant with the strong job gain recorded. As of November, the State's jobless rate stood at 6.1 percent, the lowest level since early 1970. For all of 1978, unem-

Subsequent to the preparation of the economic forecast, OPEC announced that prices would rise during the year by 14½ percent.

The nonagricultural wage and salary employment series used for this analysis is the interim, unofficial revision of the data prepared monthly by the Employment Development Department. The series is higher than the officially published Bureau of Labor Statistics series. The interim data are benchmarked quarterly to information on actual employment levels, while the BLS series is benchmarked only once a year. The interim series therefore provides a more accurate appraisal of the current situation in California at any point in time.

ployment amounted to an estimated 761,000 and the unemployment rate to 7.2 percent.

The primary areas of strength this year are expected from three sectors—services, trade, and the finance group. Sharply slower growth is anticipated for utilities and manufacturing, while declines are expected to take place in the construction and government sectors. Overall, employment has been projected up 3.4 percent this year. Personal income has been forecast at \$223.15 billion, a gain of 13 percent.

The aerospace sector will be the major factor in the stability of manufacturing in the face of soft economic activity nationally. The recent surge in orders for new aircraft will benefit California manufacturers substantially. The order backlog for California producers has increased over the past year-and-a-half, permitting stepped-up assembly operations. Of equal significance, however, is the fact that California firms are likely to receive approximately 25 percent of the value of planes ordered through the Boeing Company in Seattle on a subcontracting basis. In addition, a moderate increase in real defense spending could mean additional defenserelated business for the State's economy. In the late 1960's and early 1970's the substantial cutback of the space program led to a major readjustment in the aerospace sector which reinforced normal cyclical developments. In the present instance, it is estimated that the developing strength in aerospace will act as a contracyclical force for California.

The impact of Proposition 13 on the State's economy has been minor to date. As of November, employment in government had been reduced by approximately 30,000 from the pre-Proposition 13 level, and was 46,000 below that employment total which would have been recorded under normal growth. Anticipated negative effects were tempered by three major factors. In the first place, the State replacement of \$4.2 billion of lost property taxes substantially eased the immediate adjustment to a lower revenue level. Second, user fees and other charges have been raised in many instances. Finally, it now appears that, as a result of the reassessment of property to 1975 values and the subsequent 2 percent per year upward adjustment of these values, local governments will lose \$6.8 billion rather than the \$7 billion or more originally anticipated. Revenue losses may be reduced in future years when the full reassessment process is completed.

It is even more difficult to appraise the positive impact which the reduction in property taxes has had on the State's economy. Many mortgage payments were lowered as early as last August to reflect anticipated reductions in tax payments, providing California consumers an immediate increase in discretionary income. This factor, along with lower December payments, is expected to be reflected in a strong level of year-end sales in the State when the final data become available. On the other hand, the fact that deductions for taxpavers who itemize will be lower than previously expected because of the property tax cut may result in an increased level of final payments on both federal and state tax returns in April of this year. This should have only a temporary, and minor, impact on the economy, however.

Proposition 13 has distorted personal income growth patterns. Property taxes are not considered as a personal tax payment; rather, they are treated as an indirect business tax in the national income accounts. Therefore, in order to recognize the increased discretionary income available to Californians as a result of Proposition 13, the U.S. Department of Commerce raised the rental income and proprietors' income components by a total of \$3.4 billion, as of July 1, 1978. The 1978 income total is therefore \$1.7 billion higher than would otherwise be the case, considering the half-year effect. The total \$3.4 billion increase is represented in the forecast for 1979.

The housing sector was responsible for much of the strength in California during the past year. Approximately 237,000 housing units were authorized during the 12 months, exceeding many forecasters' expectations. The industry was helped considerably by the institution of certificates of deposit (CD's) tied to the 6month Treasury Bill rate. In the case of savings and loan associations (S&L's), such certificates —available in denominations of \$10,000 or more —were offered at a rate \(^{1}\)4 point above the prevailing 6-month bill rate. In effect, this prevented the onset of disintermediation for the S&L's in the State, which finance the bulk of new housing activity. December marked a critical period for these CD's. That month marked the start of the roll-over period when maturing CD's would either be reinvested or placed in competing debt

instruments. No information was available at the time this review was prepared on the overall success of the roll-over process—i.e., whether the S&L's would be able to retain those funds or whether a substantial net outflow into other investments would occur. Preliminary information indicates that some 80 to 85 percent of the affected funds were being placed in new certificates, with a large part of the remainder reverting to passbook accounts. If disintermediation should, in fact, occur early this year, the housing sector in California will be adversely impacted by a shortage of mortgage funds.

A further consideration in the outlook for housing is the recent increase in mortgage rates to about 10½ percent or 10¾ percent. To a large extent, however, the importance of this factor may be overstated. In the first place, mortgage rates at this level are approximately 2 to 2½ percentage points higher than those which prevailed at the end of 1977. While the increase has been substantial, it should not be sufficient to discourage housing investment entirely, particularly given the appreciation possibilities for residential property. Second, vacancy rates remain relatively low in most areas, suggesting continuing strength in the demand for housing. Preliminary evidence that the resale market has softened in some areas of the State, with homes remaining longer on the market and some instances of actual price cuts may be attributed to the end of the speculative boom in the State and to individuals' reassessment of housing needs in the aftermath of property tax cuts. This should not be interpreted—at least for the moment—as the harbinger of a pronounced downturn in housing activity.

There is likely, however, to be a major shift between single-family and multiple-unit building activity during the coming year. Rent controls and rent freezes have been implemented in several areas of the State in order to insure that renters benefit from the reduction in property taxes. Such controls have reduced the incentive to invest in rental units. It is therefore probable that apartment construction activity will slow substantially while the single-family area will remain relatively strong. It is also possible that some multiple units will be converted to condominiums. This is one means of providing multiple housing without the rent control issue. Such actions do nothing, however, to increase the supply of rental housing in the State.

It is estimated that housing units authorized will amount to 190,000 units during 1979 with a moderate increase to 215,000 in 1980. Of these, approximately 123,000 should be single units each year.

Inflationary pressures are of concern in California as in the rest of the nation. The behavior of the consumer price index has been somewhat erratic during the past year, however, significantly distorting U.S. and California comparisons. Largely as a result of the incorporation of property tax cuts into the California index in December 1978, the CPI for California will rise by an estimated 6.8 percent in 1979, vis-a-vis an estimated 8.3 percent in the nation. By 1980, it is expected that the California index will be up just over 7 percent, an increase marginally higher than the 6.8 projected for the nation as a whole.

Table 1 summarizes the national and California forecasts for 1979 and 1980.

## TABLE 1 SELECTED ECONOMIC DATA, 1978–80

National data   Percent   Percent   Chollar amounts in bilbinos   Chunard   Change   Amount   Change   Change			1979	)	1980	1980	
Gross private product	National data	1978		Percent		Percent	
Personal consumption expenditures	(Dollar amounts in billions)	(Estimated)	Amount	change	Amount	change	
Durable	Gross national product	\$2,105.0	\$2,310.5	9.8	\$2,553.5	10.5	
Nondurables	Personal consumption expenditures	1,339.0	1,472.5				
Service							
Gross private domestic investment   34-5   36-0   57   4115   313     Nonersidentes   76.8   85.6   11.5   97.2   31.6     Froducer's durable eqipment   1444   1614   11.8   177.3   99.8     Residentia   106.7   107.0   0.3   121.0   13.1     Chage in inventories   16.6   100.0   -   15.0   -     Net exports   -11.3   -5.0   -   -3.0   -     Net exports   -11.3   -5.0   -   -3.0   -     Net exports   -11.3   -5.0   -   -3.0   -     Government purchases of goods and services   432.8   479.0   10.7   521.0   8.8     Fedal   15.8   168.5   10.3   185.0   9.8     Delta   16.8   13.3   68.5   13.2     State and local   2800   310.5   10.9   33.0   82.5     Delta   167.5   15.1   161.4   7.4   174.1   6.5     Read GNP   51.38.4   51.13.9   2.1   51.66.6   3.7     Corporate profits, pre-tax   520.0   5209.0   40   523.6   12.2     Delta   16.8   17.8   17.8   18.8   10.4   42.07.15   10.0     Wage and salary employment (thousands)   85.605   87.345   2.0   89.29   2.3     Housing starts (thousands)   11.3   10.4   -8.0   11.0   5.8     Consumer price index (1967 = 100)   195.4   211.6   8.3   226.0   6.8     Collidar amounts in millions   11.3   10.4   -8.0   11.0   5.8     Consumer price index (1967 = 100)   195.4   21.6   8.3   22.0   6.8     Collidar amounts in millions   11.3   10.4   -8.0   11.0   5.8     Consumer price index (1967 = 100)   195.4   21.6   12.0   41.0     Transportation-utilities   1.3   10.0   1.2   41.0   1.2     Transportation-utilities   1.3   10.0   1.2   41.0   1.2     Transportation-utilities   1.3   10.0   1.2   41.0   1.2     Transportation-utilities   1.3   1.3   1.0   4.0     Englesyment   9.824   10.074   2.5   10.50   1.4							
Noncresidential   2212   247.0   11.7   274.5   11.1	Services	616.6	687.7	11.5	/62.4	10.9	
Structures	Gross private domestic investment	344.5	364.0	5.7	411.5	13.0	
Producers' durable equipment	Nonresidential			_			
Residential							
Net exports							
Net exports				0.3		13.1	
Government purchases of goods and services	Change in inventories		10.0	_		_	
Fockeral	Net exports	-11.3	-5.0	-	-3.0	_	
Defense	Government purchases of goods and services	432.8	479.0				
Other         53.4         60.5         13.3         68.5         13.2           State and local         2800         310.5         10.9         336.0         8.2           Deflator (1972 = 100)         152.1         163.4         7.4         174.1         6.5           Real GNP         \$1,384.4         \$1,413.9         2.1         \$1,466.6         3.7           Corporate profits, pre-tax         \$201.0         \$209.0         40         \$236.0         12.9           Personal income         \$1,705.1         \$1,883.0         10.4         \$2,2071.5         10.0           Wage and salary employment (thousands)         \$85,605         \$7,345         2.0         \$9,329         2.3           Housing starts (thousands)         \$1,707         \$1,750         \$-11.2         \$1,900         \$6           New car sales (millions)         \$11.3         \$10.4         \$-8.0         \$11.0         \$5           Construction and (Pollar amounts in millions)           Wage and salary employment (thousands)         \$9,239         \$9,550         3.4         \$9,850         \$3.1           (fhousands)         \$9,239         \$9,550         3.4         \$9,850         \$3.1           (fhousands)         \$9,2							
Sate and local							
Deflator (1972 = 100)							
Real GNP.	State and local	280.0	310.5	10.9	330.0	8.2	
Corporate profits, pre-tax   S201.0   S209.0   4.0   S236.0   12.9	Deflator (1972 = 100)	152.1	163.4	7.4	174.1	6.5	
Personal income	Real GNP	\$1,384.4	\$1,413.9	2.1	\$1,466.6	3.7	
Wage and salary employment (thousands)   85,605   87,345   2.0   89,329   2.3     Housing starts (thousands)   1,970   1,750   -11.2   1,900   8.6     New car sales (millions)   11.3   10.4   -8.0   11.0   5.8     Consumer price index (1967 = 100)   195.4   211.6   8.3   226.0   6.8     California data   Chollar amounts in millions)     Wage and salary employment (thousands)   9,239   9,550   3.4   9,850   3.1     Mining	Corporate profits, pre-tax	\$201.0	\$209.0	4.0	\$236.0	12.9	
Housing starts (thousands)   1.970   1.750   -11.2   1.900   8.6     New car sales (millions)   11.3   10.4   -8.0   11.0   5.8     Consumer price index (1967 = 100)   195.4   211.6   8.3   226.0   6.8     Consumer price index (1967 = 100)   195.4   211.6   8.3   226.0   6.8     Consumer price index (1967 = 100)   195.4   211.6   8.3   226.0   6.8     Consumer price index (1967 = 100)   195.4   211.6   8.3   226.0   6.8     Consumer price index (1967 = 100)   195.4   211.6   8.3   226.0   6.8     Consumer price index (1967 = 100)   195.4   211.6   8.3   226.0   6.8     Consumer price index (1967 = 100)   195.4   211.6   8.3   226.0   6.8     Consumer price index (1967 = 100)   195.4   211.6   8.3   226.0   6.8     Consumer price index (1967 = 100)   195.4   211.6   8.3   226.0   6.8     Consumer price index (1967 = 100)   195.4   211.6   8.3   226.0   6.8     Consumer price index (1967 = 100)   195.4   211.6   8.3   226.0   3.0     Consumer price index (1967 = 100)   195.4   211.6   8.3   225.0   3.4     Consumer price index (1967 = 100)   194.3   207.6   6.8   222.3   7.1     Consumer price index (1967 = 100)   194.3   207.6   6.8   222.3   7.1     Consumer price index (1967 = 100)   194.3   207.6   6.8   222.3   7.1     Consumer price index (1967 = 100)   194.3   207.6   6.8   222.3   7.1     Consumer price index (1967 = 100)   194.3   207.6   6.8   222.3   7.1     Consumer price index (1967 = 100)   194.3   207.6   6.8   222.3   7.1     Consumer price index (1967 = 100)   194.3   207.6   6.8   222.3   7.1     Consumer price index (1967 = 100)   194.3   207.6   6.8   222.3   7.1     Consumer price index (1967 = 100)   194.3   207.6   6.8   222.3   7.1     Consumer price index (1967 = 100)   194.3   207.6   6.8   222.3   7.1     Consumer price index (1967 = 100)   194.3   207.6   6.8   222.3   7.1     Consumer price index (1967 = 100)   194.3   207.6   6.8   222.3   7.1     Consumer price index (1967 = 100)   194.2   194.3   207.6   6.8   222.3   7.1     Consumer price index (1967 = 100)   194.3   207.6   6.	Personal income	\$1,705.1	\$1,883.0	10.4	\$2,071.5	10.0	
New car sales (millions)	Wage and salary employment (thousands)	85,605	87,345	2.0	89,329	2.3	
New car sales (millions)	Housing starts (thousands)	1,970	1,750	-11.2	1,900	8.6	
California data   Chollar amounts in millions			10.4	-8.0	11.0	5.8	
California data   Chollar amounts in millions	Consumer price index $(1967 = 100)$	195.4	211.6	8.3	226.0	6.8	
Wage and salary employment (thousands)		1,5.1	2.1.0	0.0	220.0	0.0	
Wage and salary employment (thousands)         9,239         9,550         3.4         9,850         3.1           Mining         37         38         2.7         38         n.c.           Construction         421         426         1.2         431         1.2           Manufacturing         1,869         1,929         3.2         1,988         3.1           Transportation-utilities         514         534         3,9         550         3.0           Trade         2,145         2,249         4.8         2,357         4.8           Finance-insurance-real estate         548         577         5.3         600         4.0           Services         1,926         2,032         5.5         2,130         4.8           Government         1,779         1,765         -0.8         1,756         -0.5           Civilian labor force         (thousands)         10,585         10,833         2.3         11,270         4.0           (thousands)         10,585         10,833         2.3         11,270         4.0           Employment         9,824         10,074         2.5         10,501         4.2           Unemployment         761         <							
(thousands)         9,239         9,550         3.4         9,850         3.1           Mining         37         38         2.7         38         n.c           Construction         421         426         1.2         431         1.2           Manufacturing         1,869         1,929         3.2         1,988         3.1           Transportation-utilities         514         534         3.9         550         3.0           Trade         2,145         2,249         4.8         2,357         4.8           Finance-insurance-real estate         548         577         5.3         600         4.0           Services         1,926         2,032         5.5         2,130         4.8           Government         1,779         1,765         -0.8         1,756         -0.5           Civilian labor force         (thousands)         10,585         10,833         2.3         11,270         4.0           Employment         9,824         10,074         2.5         10,501         4.2           Unemployment         761         759         -0.3         769         1.3           Rate         7.2         7.0         -							
Mining         37         38         2.7         38         n.c.           Construction         421         426         1.2         431         1.2           Manufacturing         1.869         1,929         3.2         1,988         3.1           Transportation-utilities         514         534         3.9         550         3.0           Trade         2,145         2,249         4.8         2,357         4.8           Finance-insurance-real estate         548         577         5.3         600         4.0           Services         1,926         2,032         5.5         2,130         4.8           Government         1,779         1,765         -0.5           Civilian labor force         (thousands)         10,833         2.3         11,270         4.0           Employment         9,824         10,074         2.5         10,501         4.2           Unemployment         761         759         -0.3         769         1.3           Rate         7.2         7.0         -         6.8         -           Personal income         \$197,415         \$223,150         13.0         \$246,500         10.5		9 230	9.550	3.4	9.850	3.1	
Construction         421         426         1.2         431         1.2           Manufacturing         1,869         1,929         3.2         1,988         3.1           Transportation-utilities         514         534         3.9         550         3.0           Trade         2,145         2,249         4.8         2,357         4.8           Finance-insurance-real estate         548         577         5.3         600         4.0           Services         1,926         2,032         5.5         2,130         4.8           Government         1,779         1,765         -0.8         1,756         -0.5           Civilian labor force         (thousands)         10,585         10,833         2.3         11,270         4.0           Employment         9,824         10,074         2.5         10,501         4.2           Unemployment         761         759         -0.3         769         1.3           Rate         7.2         7.0         -         6.8         -           Personal income         \$197,415         \$223,150         13.0         \$246,500         10.5           Wages and salaries         127,727         142,369 <td></td> <td>·</td> <td></td> <td></td> <td></td> <td></td>		·					
Manufacturing         1,869         1,929         3.2         1,988         3.1           Transportation-utilities         514         534         3.9         550         3.0           Trade         2,145         2,249         4.8         2,357         4.8           Finance-insurance-real estate         548         577         5.3         600         4.0           Services         1,926         2,032         5.5         2,130         4.8           Government         1,779         1,765         -0.8         1,756         -0.5           Civilian labor force         (thousands)         10,585         10,833         2.3         11,270         4.0           Employment         9,824         10,074         2.5         10,501         4.2           Unemployment         761         759         -0.3         769         1.3           Rate         7.2         7.0         -         6.8         -           Personal income         \$197,415         \$223,150         13.0         \$246,500         10.5           Wages and salaries         127,727         142,369         11.9         156,767         10.1           Other labor income         11,442	· · · · · · · · · · · · · · · · · · ·						
Transportation-utilities         514         534         3.9         550         3.0           Trade         2,145         2,249         4.8         2,357         4.8           Finance-insurance-real estate         548         577         5.3         600         4.0           Services         1,926         2,032         5.5         2,130         4.8           Government         1,779         1,765         -0.8         1,756         -0.5           Civilian labor force         (thousands)         10,585         10,833         2.3         11,270         4.0           Employment         9,824         10,074         2.5         10,501         4.2           Unemployment         761         759         -0.3         769         1.3           Rate         7.2         7.0         -         6.8         -           Personal income         \$197,415         \$223,150         13.0         \$246,500         10.5           Wages and salaries         127,272         142,369         11.9         156,767         10.1           Other labor income         11,442         13,157         15.0         15,264         16.0           Proprictors' income							
Finance-insurance-real estate         548         577         5.3         600         4.0           Services         1,926         2,032         5.5         2,130         4.8           Government         1,779         1,765         -0.8         1,756         -0.5           Civilian labor force         (thousands)         10,585         10,833         2.3         11,270         4.0           Employment         9,824         10,074         2.5         10,501         4.2           Unemployment         761         759         -0.3         769         1.3           Rate         7.2         7.0         -         6.8         -           Personal income         \$197,415         \$223,150         13.0         \$246,500         10.5           Wages and salaries         127,272         142,369         11.9         156,767         10.1           Other labor income         11,442         13,157         15.0         15,264         16.0           Proprietors' income         14,148         16,834         19.0         18,576         10.3           Farm         2,135         2,479         16.1         2,618         5.6           Nonfarm <t< td=""><td></td><td></td><td></td><td>3.9</td><td>550</td><td>3.0</td></t<>				3.9	550	3.0	
Services         1,926         2,032         5.5         2,130         4.8           Government         1,779         1,765         -0.8         1,756         -0.5           Civilian labor force         (thousands)         10,585         10,833         2.3         11,270         4.0           Employment         9,824         10,074         2.5         10,501         4.2           Unemployment         761         759         -0.3         769         1.3           Rate         7.2         7.0         -         6.8         -           Personal income         \$197,415         \$223,150         13.0         \$246,500         10.5           Wages and salaries         127,272         142,369         11.9         156,767         10.1           Other labor income         11,42         13,157         15.0         15,264         16.0           Proprictors' income         14,148         16,834         19.0         18,576         10.3           Farm         2,135         2,479         16.1         2,618         5.6           Nonfarm         12,013         14,355         19.5         15,958         11.2           Nortame         27,400 <t< td=""><td>Trade</td><td>2,145</td><td>2,249</td><td>4.8</td><td>2,357</td><td>4.8</td></t<>	Trade	2,145	2,249	4.8	2,357	4.8	
Government         1,779         1,765         -0.8         1,756         -0.5           Civilian labor force (thousands)         10,585         10,833         2.3         11,270         4.0           Employment         9,824         10,074         2.5         10,501         4.2           Employment         761         759         -0.3         769         1.3           Rate         7.2         7.0         -         6.8         -           Personal income         \$197,415         \$223,150         13.0         \$246,500         10.5           Wages and salaries         127,272         142,369         11.9         156,767         10.1           Other labor income         11,442         13,157         15.0         15,264         16.0           Proprietors' income         14,148         16,834         19.0         18,576         10.3           Farm         2,135         2,479         16.1         2,618         5.6           Nonfarm         12,013         14,355         19.5         15,958         11.2           Property income         27,400         31,811         16.1         35,420         11.3           Tansfer payments         25,456	Finance-insurance-real estate	. 548					
Civilian labor force         10,585         10,833         2.3         11,270         4.0           Employment         9,824         10,074         2.5         10,501         4.2           Unemployment         761         759         -0.3         769         1.3           Rate         7.2         7.0         -         6.8         -           Personal income         \$197,415         \$223,150         13.0         \$246,500         10.5           Wages and salaries         127,272         142,369         11.9         156,767         10.1           Other labor income         11,442         13,157         15.0         15,264         16.0           Proprietors' income         14,148         16,834         19.0         18,576         10.3           Farm         2,135         2,479         16.1         2,618         5.6           Nonfarm         12,013         14,355         19.5         15,958         11.2           Property income         27,400         31,811         16.1         35,420         11.3           Transfer payments         25,456         28,368         11.4         31,033         9.4           Less: Contributions for social insurance		·					
(thousands)         10,585         10,833         2.3         11,270         4.0           Employment         9,824         10,074         2.5         10,501         4.2           Unemployment         761         759         -0.3         769         1.3           Rate         7.2         7.0         -         6.8         -           Personal income         \$197,415         \$223,150         13.0         \$246,500         10.5           Wages and salaries         127,272         142,369         11.9         156,767         10.1           Other labor income         11,442         13,157         15.0         15,264         16.0           Proprietors' income         14,148         16,834         19.0         18,576         10.1           Farm         2,135         2,479         16.1         2,618         5.6           Nonfarm         12,013         14,355         19.5         15,958         11.2           Property income         27,400         31,811         16.1         35,420         11.3           Transfer payments         25,456         28,368         11.4         31,033         9.4           Less: Contributions for social insurance         8,373	Government	1,779	1,765	-0.8	1,756	-0.5	
Employment         9,824         10,074         2.5         10,501         4.2           Unemployment         761         759         -0.3         769         1.3           Rate         7.2         7.0         -         6.8         -           Personal income         \$197,415         \$223,150         13.0         \$246,500         10.5           Wages and salaries         127,272         142,369         11.9         156,767         10.1           Other labor income         11,442         13,157         15.0         15,264         16.0           Proprietors' income         14,148         16,834         19.0         18,576         10.3           Farm         2,135         2,479         16.1         2,618         5.6           Nonfarm         12,013         14,355         19.5         15,958         11.2           Property income         27,400         31,811         16.1         35,420         11.3           Transfer payments         25,456         28,368         11.4         31,033         9.4           Less: Contributions for social insurance         8,373         9,490         13.3         10,690         12.6           Residence adjustment	Civilian labor force						
Unemployment         761         759         -0.3         769         1.3           Rate         7.2         7.0         -         6.8         -           Personal income         \$197,415         \$223,150         13.0         \$246,500         10.5           Wages and salaries         127,272         142,369         11.9         156,767         10.1           Other labor income         11,442         13,157         15.0         15,264         16.0           Proprietors' income         14,148         16,834         19.0         18,576         10.3           Farm         2,135         2,479         16.1         2,618         5.6           Nonfarm         12,013         14,355         19.5         15,958         11.2           Property income         27,400         31,811         16.1         35,420         11.3           Transfer payments         25,456         28,368         11.4         31,033         9.4           Less: Contributions for social insurance         8,373         9,490         13.3         10,690         12.6           Residence adjustment         70         101         44.3         130         28.7           Housing units authorized	•						
Rate         7.2         7.0         —         6.8         —           Personal income         \$197,415         \$223,150         13.0         \$246,500         10.5           Wages and salaries         127,272         142,369         11.9         156,767         10.1           Other labor income         11,442         13,157         15.0         15,264         16.0           Proprietors' income         14,148         16,834         19.0         18,576         10.3           Farm         2,135         2,479         16.1         2,618         5.6           Nonfarm         12,013         14,355         19.5         15,958         11.2           Property income         27,400         31,811         16.1         35,420         11.3           Transfer payments         25,456         28,368         11.4         31,033         9.4           Less: Contributions for social insurance         8,373         9,490         13.3         10,690         12.6           Residence adjustment         70         101         44.3         130         28.7           Housing units authorized         237,000         190,000         -19.8         215,000         13.2           New c		,					
Personal income         \$197,415         \$223,150         13.0         \$246,500         10.5           Wages and salaries         127,272         142,369         11.9         156,767         10.1           Other labor income         11,442         13,157         15.0         15,264         16.0           Proprietors' income         14,148         16,834         19.0         18,576         10.3           Farm         2,135         2,479         16.1         2,618         5.6           Nonfarm         12,013         14,355         19.5         15,958         11.2           Property income         27,400         31,811         16.1         35,420         11.3           Transfer payments         25,456         28,368         11.4         31,033         9.4           Less: Contributions for social insurance         8,373         9,490         13.3         10,690         12.6           Residence adjustment         70         101         44.3         130         28.7           Housing units authorized         237,000         190,000         -19.8         215,000         13.2           New car sales (thousands)         1,170         1,080         -7.7         1,150         6.5				-0.3		1.3	
Wages and salaries.       127,272       142,369       11.9       156,767       10.1         Other labor income       11,442       13,157       15.0       15,264       16.0         Proprietors income       14,148       16,834       19.0       18,576       10.3         Farm       2,135       2,479       16.1       2,618       5.6         Nonfarm       12,013       14,355       19.5       15,958       11.2         Property income       27,400       31,811       16.1       35,420       11.3         Transfer payments       25,456       28,368       11.4       31,033       9.4         Less: Contributions for social insurance       8,373       9,490       13.3       10,690       12.6         Residence adjustment       70       101       44.3       130       28.7         Housing units authorized       237,000       190,000       -19.8       215,000       13.2         New car sales (thousands)       1,170       1,080       -7.7       1,150       6.5         Taxable sales       \$113,875       \$126,925       11.5       \$141,030       11.1         Corporate profits       \$22,570       \$24,300       7.7       \$27,500	Kate	. /.2	7.0	_	6.8	_	
Other labor income     11,442     13,157     15.0     15,264     16.0       Proprietors' income     14,148     16,834     19.0     18,576     10.3       Farm     2,135     2,479     16.1     2,618     5.6       Nonfarm     12,013     14,355     19.5     15,958     11.2       Property income     27,400     31,811     16.1     35,420     11.3       Transfer payments     25,456     28,368     11.4     31,033     9.4       Less: Contributions for social insurance     8,373     9,490     13.3     10,690     12.6       Residence adjustment     70     101     44.3     130     28.7       Housing units authorized     237,000     190,000     -19.8     215,000     13.2       New car sales (thousands)     1,170     1,080     -7.7     1,150     6.5       Taxable sales     \$113,875     \$126,925     11.5     \$141,030     11.1       Corporate profits     \$22,570     \$24,300     7.7     \$27,500     13.2       Consumer price index (1967 = 100)     Revised wage earner and clerical worker     194.3     207.6     6.8     222.3     7.1			\$223,150	13.0	\$246,500	10.5	
Proprietors' income         14,148         16,834         19.0         18,576         10.3           Farm         2,135         2,479         16.1         2,618         5.6           Nonfarm         12,013         14,355         19.5         15,958         11.2           Property income         27,400         31,811         16.1         35,420         11.3           Transfer payments         25,456         28,368         11.4         31,033         9.4           Less: Contributions for social insurance         8,373         9,490         13.3         10,690         12.6           Residence adjustment         70         101         44.3         130         28.7           Housing units authorized         237,000         190,000         -19.8         215,000         13.2           New car sales (thousands)         1,170         1,080         -7.7         1,150         6.5           Taxable sales         \$113,875         \$126,925         11.5         \$141,030         11.1           Corporate profits         \$22,570         \$24,300         7.7         \$27,500         13.2           Consumer price index (1967 = 100)         Revised wage earner and clerical worker         194.3         207.6							
Farm         2,135         2,479         16.1         2,618         5.6           Nonfarm         12,013         14,355         19.5         15,958         11.2           Property income         27,400         31,811         16.1         35,420         11.3           Transfer payments         25,456         28,368         11.4         31,033         9.4           Less: Contributions for social insurance         8,373         9,490         13.3         10,690         12.6           Residence adjustment         70         101         44.3         130         28.7           Housing units authorized         237,000         190,000         -19.8         215,000         13.2           New car sales (thousands)         1,170         1,080         -7.7         1,150         6.5           Taxable sales         \$113,875         \$126,925         11.5         \$141,030         11.1           Corporate profits         \$22,570         \$24,300         7.7         \$27,500         13.2           Consumer price index (1967 = 100)         Revised wage earner and clerical worker         194.3         207.6         6.8         222.3         7.1							
Nonfarm       12,013       14,355       19.5       15,958       11.2         Property income       27,400       31,811       16.1       35,420       11.3         Transfer payments       25,456       28,368       11.4       31,033       9.4         Less: Contributions for social insurance       8,373       9,490       13.3       10,690       12.6         Residence adjustment       70       101       44.3       130       28.7         Housing units authorized       237,000       190,000       -19.8       215,000       13.2         New car sales (thousands)       1,170       1,080       -7.7       1,150       6.5         Taxable sales       \$113,875       \$126,925       11.5       \$141,030       11.1         Corporate profits       \$22,570       \$24,300       7.7       \$27,500       13.2         Consumer price index (1967 = 100)       Revised wage earner and clerical worker       194.3       207.6       6.8       222.3       7.1							
Property income.         27,400         31,811         16.1         35,420         11.3           Transfer payments         25,456         28,368         11.4         31,033         9.4           Less: Contributions for social insurance         8,373         9,490         13.3         10,690         12.6           Residence adjustment         70         101         44.3         130         28.7           Housing units authorized         237,000         190,000         -19.8         215,000         13.2           New car sales (thousands)         1,170         1,080         -7.7         1,150         6.5           Taxable sales         \$113,875         \$126,925         11.5         \$141,030         11.1           Corporate profits         \$22,570         \$24,300         7.7         \$27,500         13.2           Consumer price index (1967 = 100)         Revised wage earner and clerical worker         194.3         207.6         6.8         222.3         7.1							
Transfer payments       25,456       28,368       11.4       31,033       9.4         Less: Contributions for social insurance       8,373       9,490       13.3       10,690       12.6         Residence adjustment       70       101       44.3       130       28.7         Housing units authorized       237,000       190,000       -19.8       215,000       13.2         New car sales (thousands)       1,170       1,080       -7.7       1,150       6.5         Taxable sales       \$113,875       \$126,925       11.5       \$141,030       11.1         Corporate profits       \$22,570       \$24,300       7.7       \$27,500       13.2         Consumer price index (1967 = 100)       Revised wage earner and clerical worker       194.3       207.6       6.8       222.3       7.1							
Less: Contributions for social insurance       8,373       9,490       13.3       10,690       12.6         Residence adjustment       70       101       44.3       130       28.7         Housing units authorized       237,000       190,000       -19.8       215,000       13.2         New car sales (thousands)       1,170       1,080       -7.7       1,150       6.5         Taxable sales       \$113,875       \$126,925       11.5       \$141,030       11.1         Corporate profits       \$22,570       \$24,300       7.7       \$27,500       13.2         Consumer price index (1967 = 100)       82,570       \$24,300       7.7       \$27,500       13.2         Revised wage earner and clerical worker       194.3       207.6       6.8       222.3       7.1							
Residence adjustment       70       101       44.3       130       28.7         Housing units authorized       237,000       190,000       -19.8       215,000       13.2         New car sales (thousands)       1,170       1,080       -7.7       1,150       6.5         Taxable sales       \$113,875       \$126,925       11.5       \$141,030       11.1         Corporate profits       \$22,570       \$24,300       7.7       \$27,500       13.2         Consumer price index (1967 = 100)       \$22,570       \$24,300       6.8       222.3       7.1         Revised wage earner and clerical worker       194.3       207.6       6.8       222.3       7.1	Less: Contributions for social insurance	8 373					
Housing units authorized       237,000       190,000       -19.8       215,000       13.2         New car sales (thousands)       1,170       1,080       -7.7       1,150       6.5         Taxable sales       \$113,875       \$126,925       11.5       \$141,030       11.1         Corporate profits       \$22,570       \$24,300       7.7       \$27,500       13.2         Consumer price index (1967 = 100)       \$22,570       \$20,60       6.8       222.3       7.1         Revised wage earner and clerical worker       194.3       207.6       6.8       222.3       7.1	Residence adjustment	. 70					
Taxable sales			190,000		215,000	13.2	
Taxable sales	New car sales (thousands)	. 1.170	1.080	-7.7	1.150	6.5	
Corporate profits       \$22,570       \$24,300       7.7       \$27,500       13.2         Consumer price index (1967 = 100)       822,570       824,300       7.7       7.7       827,500       13.2         Revised wage earner and clerical worker       194.3       207.6       6.8       222.3       7.1							
Consumer price index (1967 = 100)  Revised wage earner and clerical worker							
Revised wage earner and clerical worker							
All urban		194.3	207.6	6.8	222.3	7.1	
	All urban	. 194.7	207.9	6.8	223.0	7.3	

#### **REVENUE ESTIMATES**

Tax yields generally follow changes in economic activity. The revenue estimates for 1978–79 and 1979–80 reflect continued economic expansion but at a decreasing rate.

State revenue during the 1979–80 fiscal year is estimated at \$18,291,153,908, approximately \$1,151 million above the \$17,140,318,959 anticipated during the current fiscal year and \$2,544 million above actual 1977–78 receipts.

Revenue for the General Fund is estimated to total \$15,711,699,671 in 1979-80, up \$1,011,585,137 (6.9 percent) from the current year and \$2,233,193,264 (16.6 percent) higher than 1977-78 actual revenue. Record high personal income, corporate profits and retail sales account for most of these gains.

Special fund revenue for 1979–80 is estimated at \$2,579,454,237 or 5.7 percent above the current year and 13.7 percent above 1977–78. <sup>1</sup>

Receipts for the General Fund and the special funds for past, current and budget years are shown in the table below.

TABLE 2
STATE REVENUE COLLECTIONS
(In millions)

			Percen		
	Actual	Estimated	Estimated	of total	
Taxes, fees, etc.	1977–78	1978–79	1979–80	1979–80	
General Fund:					
Sales and use	\$5,030.4	\$5,695.0	\$6,375.0	34.9	
Personal income	4,667.9	4,747.0	4,840.0	26.5	
Bank and corporation	2,082.2	2,287.0	2,460.0	13.4	
Inheritance and gift	365.1	405.3	452.4	2.5	
Insurance	387.6	432.0	480.0	2.6	
Cigarette	191.9	192.0	197.0	1.1	
Alcoholic beverage	132.1	141.5	150.2	0.8	
Horseracing	93.3	106.2	114.6	0.6	
Other sources	528.1	694.1	642.5	3.5	
Totals, General					
Fund	\$13,478.6	\$14,700.1	\$15,711.7	85.9	
	313,476.0	314,700.1	312,/11./	03.9	
Special funds: Motor vehicle:					
	\$850.2	\$885.5	\$913.0	5.0	
Fuels		600.0	685.0		
License fee	534.2	0.00.0	085.0	3.1	
Registration,	200.2	400.7	422.6	2.2	
weight, etc	390.3	400.7	422.6		
Cigarette	81.8	82.2	84.4	0.5	
Sales	-	5.0		_	
Horseracing	18.3	12.7	11.3		
Other sources	393.6	454.1	463.1	2.5	
Totals, Special					
funds	\$2,268.4	\$2,440.2	\$2,579.5	14.1	
TOTALS	\$15,746.9	\$17,140.3	\$18,291.2	100.0	

<sup>&</sup>lt;sup>1</sup> Subsequent dollar amounts have been rounded. Totals, differences and percentages have been computed from whole dollars.

#### 1979 TAX PROGRAM

The Governor in his Budget Message has recommended a \$1.2 billion program to provide a substantial tax reduction for Californians.

A portion of the program would increase the personal exemption credit in the income tax from \$27 to \$125 for persons filing single and separate returns, and from \$54 to \$250 for persons filing joint and head of household returns. This proposal will reduce personal income tax revenue by approximately \$915 million and carry out the policy of this Administration to return tax receipts in excess of a prudent reserve to the taxpayers of this State.

Another recommended change would alter the treatment of the homeowner's exemption from a \$7,000 reduction in the value of the home to an \$87 refundable credit payable through the State income tax. Adoption of this proposal would, on average, increase homeowners' benefits slightly, and reduce local administrative costs by more than \$10 million annually. It is suggested that this proposal be enacted in January in order to allow assessors time to adjust the taxable value of homes.

An additional \$210 million is being made available for further tax reduction. These funds could be used for tax relief relating to renters or for other types of tax reductions.

It is anticipated that this program will be enacted later in the year if the economic and fiscal outlook indicates that there will be sufficient funds to provide this tax relief.

#### 1978 TAX LEGISLATION

The most important revenue measure enacted during 1978 was AB 3802 (Chapter 569) which will reduce 1978–79 income tax receipts by \$990 million. This was the largest tax reduction ever enacted in California. This measure contains a one-time increase in the personal credit of \$75 for single returns and \$150 for married persons and heads of household. It also increases the income tax brackets to adjust for inflation greater than 3 percent; excludes up to \$100,000 of the gain on the sale of owner-occupied homes from the income tax; increases the amount of personal credits and the standard deduction by the rise in inflation; and provides a special tax credit for the elderly.

#### **GENERAL FUND REVENUE**

Over 85 percent of aggregate state revenue is deposited in the General Fund. This includes collections from such levies as those on sales of tangible personal property, personal income, corporate profits and insurance premiums. For the most part, these taxes are related directly to business conditions. Hence, the estimates of revenue from each source are derived from the economic assumptions outlined above. The influence of these economic factors upon the various tax bases and the methods used in preparing the budget revenue estimates are summarized in the following material.

# Sales and Use Tax—\$6,375,000,000

The sales tax—an excise tax imposed on retailers for the privilege of selling tangible personal property in California for final consumption in the State—is the largest single source of revenue for the State's General Fund. The sales tax was enacted in 1933 and was levied at a rate of 21/2 percent. The use tax was enacted in 1935 as a complement to the sales tax, and has always been at the same rate as the sales tax. In 1955, the Bradley-Burns Uniform Local Sales and Use Tax Law was enacted, allowing cities and counties to impose a State-administered sales and use tax at 1 percent. The sales tax is based on gross receipts from sales of tangible personal property for final consumption, and the use tax is measured by the sales price of tangible personal property which is stored, used, or otherwise consumed in this State.

There were five exemptions in the original sales tax law:

- 1. Sales of tangible personal property which the State is prohibited from taxing under the laws of the United States or the California Constitution;
- 2. Sales of gas, electricity, and water when delivered to customers through mains, lines, or pipes;
- 3. Sales of gold bullion, gold concentrates, or gold precipitates by a producer or refiner;
- 4. Sales of tangible personal property used for the performance of a contract in public works executed prior to the effective date of the act; and
- 5. Sales of motor vehicle fuel taxed under the Motor Vehicle Fuel License Tax Law and not subject to refund. (This exemption was repealed,

effective July 1, 1972.)

Many exemptions have been enacted since these original exemptions; some of the most important and their dates of enactment are food for home consumption (not including hot take-out food), 1935; newspapers and periodicals, 1941; prescription medicines, 1961; and candy (which was defined as a food product), 1971.

The sales tax rate has increased from its original  $2\frac{1}{2}$  percent to a rate of 6 percent ( $6\frac{1}{2}$  percent for the San Francisco Bay Area Rapid Transit District and the Santa Clara County Transit District and the Santa Cruz Metropolitan Transit District). This rate includes the  $4\frac{3}{4}$  percent State rate, 1 percent uniform local sales and use tax rate, and a  $\frac{1}{4}$  percent county tax to be used for the support of local transit systems.

The ½ percent county tax was enacted in 1971 (effective July 1, 1972) at the same time the gasoline exemption was repealed and the State sales tax rate was decreased from 4 percent to 3<sup>3</sup>/<sub>4</sub> percent. (The State rate has been at its current level of 4<sup>3</sup>/<sub>4</sub> percent since April 1, 1974.) The <sup>1</sup>/<sub>4</sub> percent tax was levied to approximate revenues collected from extending the sales tax to gasoline. Each year an estimate is made to determine if \( \frac{1}{4} \) percent of all taxable sales raises the equivalent of taxing gasoline at 4 percent. If more is raised by the State sales tax on gasoline, the excess is transferred from the General Fund to the Transportation Planning and Research Account in the State Transportation Fund. If less is raised, the deficit is absorbed by the General Fund.

Chapter 1211, Statutes of 1978, clarified the retail sales tax by reaffirming it as a tax on the retailer rather than on the consumer. Thus, sales tax may be collected on transactions which involve consumers who would otherwise be exempt, such as national banks, State banks, and insurance companies. This law will result in a revenue gain of \$3 million in the current year and \$6.8 million in the budget year.

Taxable sales are estimated on both a quarterly and an annual basis, using two methods. A multiple regression equation is utilized to estimate total annual sales in constant dollars, using as independent variables disposable personal income in constant dollars, wage and salary workers in manufacturing and construction, new vehicles sold and the savings rate. Sales in constant dollars are then converted to current dol-

lars by application of an appropriate price factor. Total quarterly sales are estimated in a similar manner, on a current dollar basis, using personal income, wage and salary employment in manufacturing and construction, and real personal consumption expenditures as independent

variables. In addition, estimates are made on both an annual and quarterly basis by classifying taxable sales into 16 homogeneous groups, each of which is regressed on an appropriate economic factor. The various estimates are then reconciled. The final results are shown in Table 3.

TABLE 3
TAXABLE SALES IN CALIFORNIA
(In millions)

	1977	1978				1980	
			Percent		Percent		Percent
	Actual	Estimated	Change	Estimated	Change	Estimated	Change
Retail stores except automobiles and buildings Motor vehicle dealers—auto parts, service stations,	\$40,565	\$46,330	14.2	\$51,920	12.1	\$57,485	10.7
etc.	23,387	26,175	11.9	28,020	7.0	31,160	11.2
Building materials including contractors	10,202	11,835	16.0	13,490	14.0	15,135	12.2
Manufacturing, wholesaling, services	25,327	29,535	16.6	33,495	13.4	37,250	11.2
Totals	\$99,481	\$113,875	14.5	\$126,925	11.5	\$141,030	11.1

Taxable sales in 1978 are estimated at \$113.9 billion, an increase of 14.5 percent from 1977. The strongest gains were shown in the manufacturing, eating and drinking, and building materials categories. Sales in services and new cars were also noteworthy. Although the number of cars sold was up only slightly from the 1977 level, higher prices pushed the dollar volume up substantially.

Total taxable sales in 1979 are estimated at \$126.9 billion, up 11.5 percent in current dollars and 4.0 percent in real terms. The fastest growing categories are expected to be in eating and drinking and services. These sales have climbed rapidly in recent years attributable largely to the increased number of women entering the workforce.

In 1980 total sales are expected to increase 11.1 percent to \$141.0 billion, which represents a real increase of 5.0 percent. Again, services and eating and drinking sales should show the most rapid expansion.

No transfer was made to the Transportation Planning and Research Account in the State Transportation Fund in 1977–78. In 1978–79 a transfer was made for the 1977 calendar year of \$5.0 million. For the budget year, no transfers are anticipated.

Sales and use tax revenues, prior to the transfers to the State Transportation Fund, including revenue attributable to audit activities of the Board of Equalization and the effects of administrative and judicial changes are:

#### Personal Income Tax-\$4,840,000,000

The Personal Income Tax was enacted in 1935 at a rate which was graduated from 1 percent on taxable income under \$5,000 to 15 percent on taxable income in excess of \$250,000. Both the tax rates and levels of income subject to tax have changed significantly over the years. The current law is the result of extensive modifications made in 1971, which provided for withholding and declaration of estimated tax, revised capital gains treatment, imposed a tax on preference income, conformed State law to many of the provisions of the 1969 Federal Tax Reform Act, and increased the then maximum tax rate of 10 percent to 11 percent. The imposition of

withholding and declarations of estimated liability resulted in considerable windfall revenue due to the cash flow of prepayments. Therefore, a special one-time tax credit was enacted which returned \$438 million to taxpayers. This law also provided for a low-income tax credit which, in effect, exempted single persons with less than \$4,000 income and married couples with less than \$8,000 income from paying any income tax. In 1976, the maximum income for this low-income tax credit was increased to \$5,000 for single individuals and \$10,000 for married couples. In addition, a special tax credit for the installation of solar energy devices was enacted. This was expanded in 1977 and again in 1978. Legislation in 1977 also included many conformity provisions to the Federal Tax Reform Act of 1976.

The personal income tax is the State's second largest revenue source, producing over one-third of total General Fund revenues. The tax is imposed on net California taxable income (gross income less deductions) with tax rates ranging from 1 to 11 percent. A personal tax credit of \$27 for single individuals and \$54 for married couples is allowed against the gross tax liability, as is a \$9 credit for dependents. In addition, a tax on preference income is levied at one-half the regular rate.

The rapid growth of the overall tax burden resulted in the voters' approval on June 6, 1978 of a significant limitation on property tax revenues and public opinion was clearly in favor of further tax reductions. The personal income tax reflected a substantial proportion of the growth; this has been due to changes in the law, the increase in the number of persons with taxable income, the general rise in average income, and the progressivity of the tax rate structure. Therefore, the Legislature passed AB 3802 (Chapter 569, Statutes of 1978), which provided for the widening of the personal income tax brackets by the annual percentage change in the California Consumer Price Index (CPI) in excess of three percent; increasing of the personal tax credit, the dependent tax credit, the blind tax credit, and the standard deduction by the full annual percentage change in the CPI; a one-time increase in the personal tax credit; and a once-in-a-lifetime exclusion from the personal income tax of the gain from the sale of a home, up to a maximum of \$100,000. The cost of this bill, with respect to reductions in personal income tax revenue, is currently estimated to be \$990 million in 1978–79 and \$580 million in 1979–80. Due to the indexing provisions, the reduction from the previous potential in revenue will grow substantially each year. Additional legislation passed in 1978 included Chapter 1159, AB 3623, which expanded the eligibility for the solar ener-

gy device credit.

Table 4 provides a historic summary of California personal income (less transfer payments, some of which are not taxed), personal income tax collections, the percent that these tax collections are of income, year-to-year percent changes, and the gross tax rate.

TABLE 4
A Comparison of California Personal Income
And Personal Income Tax Trends

	Califo personal			Personal Tax Coll			Gross Tax
Income year	in millions	Percent Change	Fiscal Year	in millions	Percent Change	Elasticity	Rate (per \$100) b
1966	\$61,732	_	1966–67	\$627	_	_	1.02
1967	65,653	+6.35	1967-68	952 °	+51.83	_	1.45
1968	71,700	+9.21	1968-69	1,102	+15.76	1.71	1.54
1969	77,892	+8,64	1969-70	1,152	+4.54	0.53	1.48
1970	82,172	+5.49	197071	1,264	+9.72	1.77	1.54
1971	86,466	+ 5.23	1971-72	1,786 °	+41.30	_	2.07
1972	94,398	+9.17	1972-73	1,884	+5.49	0.60	2.00
1973	103,836	+10.00	1973-74	1,832 °	-2.76	_	1.76
1974	114,791	+10.55	1974-75	2,583	+40.99	1.72 <sup>d</sup>	2.25
1975	124,947	+8.85	1975-76	3,090	+19.63	2.22	2.47
1976	139,532	+11.67	1976-77	3,761	+21.72	1.86	2.70
1977	156,375	+12.07	1977-78	4,668	+24.14	2.00	2.99
1978 Est	180,332	+15.32	1978-79 Es	t. 4,747 °	+ 1.67	-	2.63
1979 Est	204,272	+13.28	1979-80 Est	t. 4,840 °	+1.95	-	2.37 °

<sup>&</sup>lt;sup>4</sup> Less transfer payments, plus contributions for social insurance.

<sup>c</sup> Significant changes in the law. Two-year basis.

The income tax is a self-assessed tax collected through a system of withholding, declarations of estimated tax, and payments on final returns. Withholding requires that the employer deduct state income tax from pay and remit these amounts to the State to be credited against the employees' income tax liability. Quarterly payments of estimated tax are required for income not covered by withholding or when withholding is not at least 80 percent of tax liability.

Income tax revenue is determined primarily by the amount and type of income. The revenue attributable to each type fluctuates from year to year in response to changes in the amount received from each source and changes in the distribution among the tax brackets. For example, capital gains are, for the most part, received by taxpayers in higher tax brackets while wages and salaries are mainly reported by taxpayers in lower and middle brackets. Therefore, a fluctuation in capital gains income will have a greater impact on revenue than a similar dollar variation in wages and salaries because of the higher marginal tax rates. For this reason, revenue from each type of income is estimated separately. Historic relations between types of income are examined. These relationships are then applied to forecasts of income by source to obtain the revenue forecast. Tax attributable to capital gains is analyzed separately since capital gains are not

<sup>&</sup>lt;sup>b</sup> Fiscal year revenue/calendar year income.

<sup>&</sup>lt;sup>e</sup> The California Personal Income for both 1978 and 1979 includes substantial imputed income as a result of Proposition 13. Very little of this income will be subject to the Personal Income Tax, at least in the immediate future. Therefore, a more realistic value of the elasticity and gross tax rate is based on personal income excluding this imputed income. With this adjustment the value of the gross tax rate for 1979–80 is 2.41.

included in the definition of personal income. In this instance, trends in stock market activity and the economic outlook in general provide the basis for the estimate. An estimate is also prepared on a cash flow basis by source of revenue. The two analyses are then reconciled to obtain a final forecast.

The cash flow analysis is of special interest in the forecasting process because the data are monthly, exact (actual receipts) and current (to the month prior to the forecast). In contrast, the source of income data are annual, and derived from a sample of returns for the year prior to the forecast. The components of the cash flow data are (1) withholding, (2) declarations, (3) final payments, (4) refunds, and (5) other revenue (receipts from audit activities, etc.).

For the four-year period 1974–75 through 1977–78, withholding represented about 78.8 percent, declarations about 19.5 percent, and other revenue about 3.5 percent of total revenue. Final payments declined from 17.6 percent to 15.1 percent and refunds declined from 19.6 percent to 16.9 percent. Because AB 3802 provided for a one-time increase in the personal credit, and indexed the tax rate brackets and certain credits, the relationship of each component of cash flow will change dramatically in 1978–79 and thereafter.

It was intended in AB 3802 to index the low income tax credit as were the personal and dependent tax credits. However, due to a technical oversight this did not occur. This revenue fore-

cast assumes that this oversight will be corrected and reduce revenues by \$14 million in 1979–80.

The revenue forecast for fiscal year 1979–80 has been reduced to reflect the Governor's proposed tax reduction program.

Total personal income tax revenue is estimated as follows:

1977–78 (actual) ............ \$4,667,887,000 1978–79 (estimated) ..... \$4,747,000,000 1979–80 (estimated) ..... \$4,840,000,000

### Bank and Corporation Tax-\$2,460,000,000

The bank and corporation franchise tax, enacted in 1929, is a privilege tax levied on corporations doing business in California. The tax is measured by net income and is imposed at a 9 percent rate. A minimum tax of \$200 is imposed on all corporations except banks. The corporation income tax was enacted in 1937 to complement the franchise tax. It is levied, at the same rate as the franchise tax, on the net income of corporations which are not doing business in California but which derive income from California sources (primarily foreign companies engaged wholly in interstate commerce and holding companies).

Beginning in 1933, banks and other financial corporations were required to pay an additional tax on net income not to exceed 4 percent. The tax rate is determined annually as the ratio of personal property taxes paid divided by net income for all corporations other than banks, financial corporations, and utilities. The bank tax

rate for the 1977 income year is 3.425 percent, down from 3.772 percent in the previous year.

The tax on banks is in lieu of all state and local taxes except those on real property and motor vehicles. Other financial corporations are subject to state and local taxes and fees, but they may offset all but real property taxes and motor vehicle fees against their bank tax. The following shows the history of bank and corporation tax rates:

	Tax Rate General Corporations	
Year	(Percent)	(Percent)
1929–32	4.0	4.0
1933–34	2.0	6.0
1935-42	4.0	8.0
1943-49	3.4	7.4
1950–58	4.0	8.0
1959-66	5.5	9.5
1967–71		11.0
1972–73	7.6	11.6
1973 *		13.0

<sup>\*</sup> Beginning July 1, 1973

The Bank and Corporation Tax Law was amended in 1971 to include a 2½ percent tax on items of tax preference. The intent is to impose some tax on taxpayers who benefit substantially from various forms of tax-free income or deductions that reduce their tax under existing law.

There are three sources of tax preference income:

- 1. Depreciation and amortization in excess of the straight line method.
  - 2. Percentage depletion in excess of cost.
- 3. Excess additions to bad debt reserves by financial corporations.

The tax applies to the amount by which items of tax preference, less \$30,000, exceeds any net losses for the year.

In 1978 there were three legislative changes that will affect bank and corporation tax revenue during the current and budget period.

Chapter 1159 (AB 3623) made a variety of revisions to the solar energy device tax credit. The combined effect of these changes will be to reduce bank and corporation tax revenues \$100,000 in both the current and budget years.

Chapter 61 (SB 1038) extended and liberalized the provision for accelerated depreciation of certified pollution control facilities. These changes will result in an unknown revenue loss in both the current and budget years.

Chapter 155 (SB 1602) would permit corporations to apply for a refund of estimated taxes after the close of their fiscal year, but prior to filing their final returns. This change in the Bank and Corporation Tax Law will decrease revenue by \$7.0 million in the current year.

Revenue collections in the current and budget years depend upon corporate profits attributable to California during 1977, 1978, and 1979. Profits for 1978 were estimated from responses to a questionnaire sent to a sample of firms doing business in California. For 1978, the survey indicates a wide variation in corporate profits among the several industry groups. Manufacturing and utilities are expected to register the strongest increases, while construction should show the smallest gain. The companies answering the sample approximate 34 percent of the corporate tax base. Actual and estimated corporate profits are shown in Table 6.

TABLE 5
Taxable Corporate Profits in California \*
(In millions)

		1977	7	197	8
	1976		Percent		Percent
Industry	Actual	Preliminary	change	Estimated	change
Agriculture	\$289	\$293	1.4	\$313	6.8
Mining and oil production	1,388	1,150	-17.1	1,317	14.5
Construction	549	738	34.4	758	2.7
Manufacturing	5,463	6,579	20.4	8,225	25.0
Trade	3,301	4,095	24.1	4,686	14.4
Service	1,190	1,494	25.5	1,808	21.0
Financials subject to the bank tax	1,304	2,008	54.0	2,270	13.0
Real estate and other financials	946	1,294	36.8	1,483	14.6
Utilities	973	1,178	21.1	1,710	45.2
Totals	\$15,403	\$18,829	22.2	\$22,570	19.9

<sup>\*</sup> These figures represent income of corporations with accounting periods ending from August of the year shown through July of the following year.

This method of reporting approximates the federal system of reporting corporate profits in the year earned.

According to the 1978 survey, California corporate profits increased by 19.9 percent. For 1979 corporate profits are expected to total \$24.3 billion, up 7.7 percent from the 1978 level.

After adjusting for legislation and adding payments attributable to audit activities of the Franchise Tax Board, total revenue is estimated as follows:

1977–78 (actual) ..... \$2,082,208,000 1978–79 (estimated) \$2,287,000,000 1979–80 (estimated) \$2,460,000,000

### Insurance Tax—\$480,000,000

The taxation of insurance companies doing business in California began in 1853 when foreign and domestic insurers were required to pay quarterly license fees of \$500 and \$250, respectively. In 1862, a gross premiums tax was enacted and levied on foreign insurers with less than \$50,000 invested in California property. In 1910, a constitutional amendment subjected all insurers to a 1.5 percent gross premiums tax which was in lieu of all taxes other than on real estate.

Beginning in 1911, insurance companies were allowed to deduct all real estate taxes from their state tax liability. This deduction became quite large as a result of acquisitions by foreclosure during the 1930's. Accordingly, a 1942 constitutional amendment limited the deduction to the real estate taxes paid on an insurer's principal or home office. In 1976, the voters of California approved a constitutional amendment which eliminated the principal office deduction beginning with taxes due on premiums written in 1976.

Since its inception there have been relatively few rate changes in the gross premiums tax. Currently, the tax is imposed on the gross premiums written in the preceding calendar year less return premiums and dividends. The tax has been levied at the rate of 2.35 percent since 1949. Some pension and profit-sharing plans are taxed at 0.5 percent whereas surplus lines are taxed at 3 percent. Ocean marine insurers are taxed at 5 percent of underwriting profits.

The insurance tax estimate is based on projections of premium growth for specific lines of insurance. Responses to a survey were obtained from 115 companies which account for 48 percent of the insurance written in California. The results of this survey indicated that premiums will increase by 11.4 percent in 1978, and will

grow by 11.1 percent in 1979.

The estimated tax for the current and budget years and the actual tax collection in 1977–78 are as follows:

### Inheritance and Gift Taxes—\$452,400,000

The California Inheritance Tax Law, adopted in 1879, was extensively modified in 1905 with the initiation of a progressive rate schedule which, for the first time, covered transfers to family members. While there have been many modifications of the tax provisions over the years, its general structure has not changed. It is a tax on the right to succeed to property transferred at death and includes gifts made either in contemplation of death or with the intention that the transfer take effect at or after death. The primary responsibility for the tax liability rests with the decedent's estate.

The inheritance tax base is the market value of the property being transferred less certain deductions and exclusions. Taxable property includes all real and tangible personal property in the State, and, in the case of a decedent who was a resident of this State at date of death, intangible personal property wherever located. A progressive rate schedule, which varies according to the relationship of the transferee to the decedent, is applied to the taxable base.

Since enactment of the tax, various exemptions, deductions, exclusions, and credits have been added. The widely used exemption for charitable transfers initially surfaced in 1897. The credit for previously taxed property was put into effect in 1921. In 1935, the exclusion for the proceeds of life insurance policies was enacted. The exclusion for public pensions dates from 1956. In 1961, the wife's community property exemption was extended to all community property passing to a surviving wife. In 1967, the exemption for transfers to donees who are not related was increased from \$50 to \$300. In the same year, however, the specific exemption for aunts, uncles, and cousins was reduced from \$500 to \$300.

The treatment of transfers to a surviving wife has changed substantially since 1893 to reflect changing legal interpretations of community property. Today, there is no distinction between husband and wife or widow and widower for inheritance tax purposes.

California's Gift Tax Law was enacted in 1939 as a supplement to the inheritance tax on the grounds that large transfers made during the lifetime of a donor would otherwise escape tax. The tax is applied on the transfer of property by an individual to the extent that the transfer was made without full consideration. The property is valued at its market value on the date of the gift.

The Gift Tax Law presently provides for an annual exemption of \$3,000 from a donor to the same donee. In addition to the annual exemption, the law provides a specific, one-time exemption which varies in amount according to the relationship of the donee to the donor. If the exemption exceeds the net gift in any calendar year, the residue may be applied to net gifts in subsequent years until the maximum allowable exemption has been exhausted.

The tax rate varies according to the relationship of the donee to the donor. Both the specific exemptions and the rates of tax are the same as those provided in the Inheritance Tax Law.

On January 1, 1976, a major change in both the inheritance and gift tax laws regarding transfers of property between spouses occurred. The distinctions between community, quasi-community, and separate property were eliminated and the specific exemption increased from \$5,000 to \$60,000.

Chapter 1388, Statutes of 1978, modified recent legislation which combined the inheritance and gift base by excluding gifts made prior to January 1, 1977, when computing inheritance taxes. This change will reduce inheritance tax collections \$5 million in the budget year.

Estimated revenues for the inheritance and gift taxes are:

	(	In thousands	)
	1977-78	1978-79	1979-80
	Actual	Estimated	Estimated
Inheritance tax	\$351,695	\$390,000	\$435,000
Gift tax	13,397	15,300	17,400
Totals	\$365,092	\$405,300	\$452,400

### Cigarette Tax—\$281,400,000

The cigarette tax was enacted in 1959 at the rate of 3 cents per pack, and imposed on the distributor for the privilege of selling cigarettes in California. The rate was subsequently increased to 10 cents per pack in 1967, with 30 percent of total revenues going to local govern-

ments. Cigars and other tobacco products are not subject to a tobacco tax.

A projection of the total number of taxable cigarettes distributed in the current and budget year is the basis for the cigarette tax estimate. Per capita consumption in the budget year will remain relatively level with total cigarette consumption increasing only slightly to reflect population increases. Taxable distributions of cigarettes are estimated at 2.76 billion packs in 1978–79 and 2.81 billion packs in 1979–80. Estimated revenues for 1978–79 are distorted due to accelerated payments in May/June 1978. Revenues based on these factors are:

	(	In thousands,	)
	1977-78	1978-79	1979-80
	Actual	Estimated	Estimated
General Fund	\$191,854	\$192,000	\$197,000
Cigarette Tax Fund	81,804	82,200	84,400
	\$273,658	\$274,200	\$281,400

### Alcoholic Beverage Excise Tax-\$150,200,000

The alcoholic beverage tax was enacted by the Alcoholic Beverage Control Act in 1935. In general, the tax is levied on distributions of distilled spirits, beer and wine from wholesaler to retailer.

The various rates applicable to alcoholic products have changed infrequently since 1935. The rate for dry wines has remained unchanged since 1937 when it was reduced from 2 cents per gallon to 1 cent per gallon. The rate on distilled spirits of 100 proof or less has been changed twice—in 1955 when the rate was increased from \$0.80 to \$1.50 per gallon, and in 1967 when it was increased to its current level of \$2.00 per gallon. In 1955, the rate for sparkling wines was raised from \$.24 to \$.30 per gallon. The tax on sweet wines has remained constant at 2 cents per gallon.

Chapter 128 (Statutes of 1976) eliminated the military beer exemption beginning January 1, 1980. This change will increase revenues by an estimated \$180,000 in the budget year.

On May 30, 1978, the State Supreme Court repealed the fair trade price restrictions on distilled spirits and beer. This action caused an initial surge in distributed gallons for June, 1978, resulting in a slightly distorted picture of the cash flow for 1977–78 and the current year.

Alcoholic beverage tax estimates are based on a projection of the total number of gallons distributed in the current and budget years for each type of beverage. Estimated per capita consumption of each beverage is shown below:

### Apparent Per Capita Consumption (In gallons)

	1977-78	1978–79	1979-80
	Actual	Estimated	Estimated
Distilled spirits	2.53	2.61	2.74
Beer	23.75	24.86	26.23
Sparkling Wine	.25	.27	.28
Dry Wine	3.43	3.71	3.88
Sweet Wine	.48	.46	.45

Estimated revenues for the current and budget years, compared with the actual revenue for 1977–78 are shown below:

	(	In thousands,	)
	1977-78	1978-79	1979-80
	Actual	Estimated	Estimated
Distilled spirits	\$109,088	\$116,500	\$123,500
Beer and wine	22,972	25,000	26,700
Total	\$132,060	\$141,500	\$150,200

### Horse Racing Fees—\$125,957,000

Parimutuel betting on horse racing in California was authorized in 1933. The major portion of state horse racing revenue is derived from a license fee imposed on the total parimutuel handle (the amount wagered) and breakage (the odd cents not paid to winning ticket holders). Other sources of horse racing revenue are unclaimed parimutuel tickets, occupational license fees, fines and penalties.

The original law provided that the state parimutuel license fee be 4 percent. For non-fair meets with average handles greater than \$650,000 per day, the current schedule of rates provides for a base rate of 6.10 percent on the first \$20 million handle and one other rate, ranging from 5.70 to 7.45 percent depending on the total handle in excess of \$20 million.

Beginning in 1947, the State received the breakage attributable to the handle in excess of \$27 million. Breakage was defined as the odd cents by which the amount payable on each dollar exceeded a multiple of five cents. In 1959, the breakage was changed from five cents to ten cents, and the State received one-half of the breakage attributable to the first \$24 million wagered and all of the breakage on the handle in excess of \$24 million at each track. However, in 1967 a special provision was added that allowed all race meets which handle less than \$125 million (all meets except Santa Anita and Hollywood Park) to remit only the breakage attributable to the handle in excess of \$50 million excess o

lion to the State, with the exempt portion going to purses.

From July 1, 1970, to July 1, 1975, all meets which handled less than \$20 million were subject to a 5.5 percent rate rather than the normal 6.1 percent. This special treatment was permanently extended to the California State Fair and Exposition (Cal Expo) and all district and county fairs.

Chapter 129, Statutes of 1978, established a daily license fee for meets averaging less than \$650,000 per day. The fee ranges from 1 percent to 4 percent for fairs and lessees of Cal Expo and from 2.5 percent to 7.5 percent for all other meets. This will amount to approximately \$825,000 in lost revenue to the General Fund.

Total handle of all race meets is expected to increase by 6.3 percent in 1978–79 and 6.6 percent in 1979–80. Total revenues from horse racing will increase by 6.5 percent in 1978–79 and 5.9 percent in 1979–80, with General Fund revenues from horse racing showing gains of 13.9 percent and 7.9 percent for the same periods.

Total parimutuel pools, receipts from horse racing, and the final distribution of such revenue among the various funds are shown below.

TABLE 6
Sources and Distribution of Horse Racing Revenue
(In thousands)

	(III tilououi	,	
	1977-78	1978-79	1979-80
	Actual	Estimated	Estimated
Total parimutuel pools	\$1,487,720	\$1,581,334	\$1,686,078
Receipts:			
Parimutuel license fee	101,319	106,627	113,225
Breakage	7,067	8,367	8,858
Sires stakes revenue	245	384	637
1% additional take-			
out for fairs	1,205	1,191	1,301
Unclaimed parimu-			
tuel tickets	1,134	1,070	1,085
Occupational license			
fees, fines and pen-			
alties, miscellane-	(21	1 240	0.5.1
ous revenue	621	1,348	851
Total	\$111,591	\$118,987	\$125,957
Distribution:			
General Fund	\$93,274	\$106,248	\$114,638
Fair and Exposition		11.605	0.022
Fund	17,322	11,605	9,932
Wildlife Restoration	750	7.50	750
Fund	750	750	750 637
Sires Stakes	245	384	637

### Other General Fund Revenue-\$642,461,000

Miscellaneous receipts for the General Fund will total \$642.5 million in the budget year; a decrease of 7.4 percent from the corresponding

figure for the current year and up 21.6 percent from 1977–78. Miscellaneous revenue is made up of eight categories: Medi-Cal aid reimbursements—\$140.9 million; interest income—\$325.0 million; pay patients and county board charges at hospitals—\$23.7 million; traffic penalties—\$19.8 million; General Fund share of liquor license fees—\$11.1 million; private car tax—\$4.2 million; royalties from oil and gas production on state-owned lands—\$6.3 million; and other—including charges for certain services to business and individuals and sales of property—\$111.5 million.

### SPECIAL FUND REVENUE

Provisions of the California Constitution, codes and statutes restrict the use of certain revenue for specified purposes, and these receipts are separately accounted in various special funds. In general, they comprise three categories of income: (1) receipts from tax levies which are allocated to specified functions; (2) charges for special services to specific groups; and (3) rentals, royalties and other receipts earmarked for particular purposes. Motor vehicle taxes and fees illustrate the first of these classes. License fees for the regulation of business and professions are typical of the second. Oil and gas royalties are examples of the third. Interest received by the investment of special fund money is deposited in the fund for which the investments are held.

Motor vehicle taxes and fees account for 78 percent of all special fund revenue. Principal sources of this income are the motor vehicle fuel taxes, registration and weight fees and vehicle license fees. During the 1979–80 fiscal year, \$2.0 billion will be derived from the ownership or operation of motor vehicles. Approximately \$1,041 million of this revenue will be returned to local governments. The remainder will be available for various state programs related to transportation and services to vehicle owners.

Thirty percent of cigarette tax revenue is deposited in a special fund for distribution to cities and counties. In 1979–80, receipts for this fund are estimated at \$84.4 million.

Charges for special services to industry, business and the professions, together with hunting, fishing and liquor licenses and other regulatory fees, will amount to \$191.3 million in 1979–80. Rents, royalties and other miscellaneous receipts

are estimated to total \$199.9 million. Interest from investments held for the various special funds is projected at \$72.0 million.

### Motor Vehicle Fuel Taxes—\$913,000,000

The motor vehicle fuel license tax and the use fuel tax provide the major sources of funds for maintaining, replacing, and constructing state highway and transportation facilities.

The motor vehicle fuel license tax (gas tax) is a tax on the distribution of gasoline and other flammable liquids which are used in propelling motor vehicles, aircraft, and vessels. Distributions of diesel fuel, liquid petroleum gas (LPG), and bunker oil are not included under this tax. The current tax rates per gallon are as follows:

Motor vehicle fuel for highway use	7¢
Fuel used in aircraft	7¢

When the motor vehicle fuel license tax was first imposed in 1923, it was limited to the distribution of fuels used for motor vehicles. In 1969, distributions of jet fuel became taxable at a rate of 2 cents per gallon. In recent years, the repeal of certain refund provisions has in effect further extended the tax, but revenue available for highway use has not increased. Since 1965, refunds for the distribution of fuel used in aircraft have been limited to 5 cents per gallon. In 1968, the refund provision for fuel used in vessels was repealed. In 1972, refunds for the distribution of fuel in off-highway recreational vehicles were discontinued. These revenues are transferred. however, to the account which reflects the fuel's use; for example, revenues collected from the distribution of motor fuel used in aircraft are transferred to the Aeronautics Account.

Gasoline tax revenues are estimated on the basis of average gasoline consumption per vehicle and total vehicle registrations. Consumption per vehicle in 1977–78 amounted to 640.26 gallons and is projected at 641.5 gallons for 1978–79 and 638.0 gallons for 1979–80. This forecast assumes that the price of gasoline will not significantly impact on gasoline demand, the supply of gasoline will be adequate to satisfy demand through the forecast period, and the level of new car sales will be above one million in 1979.

The use fuel tax is imposed on diesel fuel, liquefied petroleum gas, and natural gas for use

on state highways. This tax augments the gasoline tax and is used for the construction and maintenance of highways. The enactment of the tax in 1937 was limited to diesel fuels, reflecting the increasing importance of diesel-powered motor vehicles. In 1959 LPG was shifted from the gasoline tax to the use fuel tax. In 1970 the use fuel tax was extended to natural gas.

The current rates are 7 cents per gallon of motor vehicle fuel (except for local transit systems which pay 1 cent per gallon) or per 100 cubic feet of compressed natural gas, and 6 cents per gallon of LPG or liquid natural gas. In addition, a person may elect to pay a flat rate fuel tax based on vehicle weight in lieu of the tax on LPG.

Highway consumption of diesel fuel is estimated by projecting the trend of past distributions with adjustments to reflect changes in the economy. Diesel consumption in 1977–78 increased 7.8 percent above the 1976–77 level of 863 million gallons. It is estimated that consumption will increase to 950 million gallons in 1978–79 and to 990 million gallons in 1979–80.

Revenues from motor vehicle fuel taxes are shown below:

	(In thousands)								
	<i>1977–78</i>	1978-79	1979–80						
	Actual	Estimated	Estimated						
Gasoline	\$784,076	\$818,000	\$843,000						
Use fuel	66,105	67,500	70,000						
Totals	\$850,181	\$885,500	\$913,000						

### Motor Vehicle Fees-\$1,107,600,000

California has imposed motor vehicle registration and weight fees in their present form since 1923. Originally, the Legislature granted permission to local governments to license motor vehicles and to charge a flat fee of \$1.00 per vehicle. In 1913 the State assumed the task of registering vehicles and instituted a registration fee based on horsepower. When the state's highway user taxes were revised by the Vehicle Act of 1923, registration fees for all vehicles were established at a flat rate and additional fees based on weight were imposed on commercial vehicles.

Registration fees are levied on all motor vehicles, trailers, semi-trailers and certain types of dollies if they are driven, moved, or left standing on a highway. In addition to registration fees, commercial vehicles pay fees which range from \$5 to \$413 based on their unladen weight. The

registration fee for most motor vehicles is \$11; since 1975 additional charges ranging from \$50 to \$300 are levied on vehicles with high compression engines.

New vehicle sales (autos, trucks, trailers and motorcycles) in California are estimated to total 1,705,000 units in 1978. In 1979 and 1980, sales are expected to reach 1,605,000 and 1,680,000 units, respectively.

Allowing for scrappage and vehicles entering and leaving the state, total fee-paid registrations at year-end are estimated at 18,118,000 for 1978, 18,678,000 for 1979, and 19,271,000 for 1980. Based on these estimates, registration and weight fees are expected to total \$362.0 million in the current year and \$375.0 million in the budget year. Drivers' license fees and various other charges related to vehicle operation make up the balance of motor vehicle fees.

The vehicle license fee, established in 1935, is imposed for the privilege of operating a vehicle on the public highways of California. Prior to the imposition of the license fee, motor vehicles were taxed as personal property under the property tax. However, because local administration of the tax on vehicles proved inequitable and easy to evade, the vehicle license fee was established, and the local property tax on vehicles was repealed. Although it is a state imposed fee, the revenues collected, less administrative costs, and a 2.5 percent transfer of the remaining revenue to the motor vehicle account, are distributed to local government on a population basis.

The vehicle license fee is calculated on the vehicle's "market value"—the manufacturer's suggested base price, not including options, adjusted by a depreciation schedule. For motor vehicles, the schedule is based on a nine-year depreciation period, while for trailer coaches an 18-year depreciation period is used. A rate of two percent is applied to the market value to determine the fee. Revenue from this source is therefore contingent on the number of vehicles in the State, the age distribution of those vehicles, and their original base price.

Total revenues from motor vehicle fees are:

	1977–78 Actual	(In thousands) 1978–79 Estimated	1979–80 Estimated
Registration, weight, and			
other fees	\$390,256	\$400,700	\$422,600
Vehicle license fees	534,155	600,000	685,000
Totals	\$924,411	\$1,000,700	\$1,107,600

Other Special Fund Revenue—\$463,135,000

For the most part, nontax revenue flowing to special funds represents regulatory fees on business and professions, charges for special services to designated groups, special accounts in the General Fund and royalties from oil and gas production on state-owned land.

For the budget year, these revenues will total \$463 million compared with \$454 million in the current year. Actual receipts in 1977–78 were \$393.6 million.

SUMMARY OF STATE POPULATION, INCOME OF CALIFORNIA RESIDENTS, AND STATE TAX COLLECTIONS Excluding Departmental, Interest and Miscellaneous Revenue TABLE 7

,	Jo (	те		I otal	1	24.7	4.53	4.36	4.50	4.70	4.93	4.82	4.63	4.73	5.09	5.10	5.10	5.13	5.51	5.51	5.63	5.27	.03	2.6.0	0.73	9.80	6.53	6.32	7.00	7.05	7.01	7.63	7.68	8.06	8.56	8.10	7.70
	Taxes per \$100 of	Personal Income	Special	Funds	,	\$1.49	1.42	1.37	1.64	1.69	1.73	1.67	1.61	1.59	1.55	1.53	1.47	1.46	1.56	1.66	1.62	1.53	1 70	1.08	1.61	65.1	1.55	1.48	1.47	1.43	1.33	1.22	1.18	1.12	1.08	1.01	.95
	Taxe	Pers	_	Fund		\$3.28	3.12	2.99	2.86	3.01	3.20	3.14	3.01	3.14	3.53	3.57	3.63	3.67	3.95	3.85	4.01	3.74	,	4.24	5.12	5.21	4.98	4.84	5.53	5.62	2.68	6.41	6.51	6.94	7.48	7.09	6.75
		3 1		l'otal		286.67	90.65	92.72	69.86	101.86	112.67	115.10	113.58	117.59	133.33	135.96	138.75	145.14	161.54	169.53	180.75	179.74	0000	201.98	242.23	264.08	271.99	277.76	324.06	351.77	378.96	454.80	501.40	577.02	671.12	710.83	750.46
		Taxes per Capita	Special	Funds	:	\$27.15	28.35	29.19	35.95	36.66	39,48	39.97	39.59	39.60	40.67	40.70	40.12	41.25	45.78	51.08	52.10	52.27	,	57.43	57.93	61.78	64.53	64.91	90.89	71.57	72.04	72.65	76.83	80.35	84.87	88.28	92.42
		Taxe	General	Fund		\$59.53	62.30	63.53	62.74	65.20	73.19	75.13	73.99	77.99	92.66	95.26	98.63	103.89	115.76	118.45	128.64	127.47		144.55	184.29	202.29	207.46	212.85	256.00	280.19	306.91	382.15	424.57	496.68	586.25	622.55	658.05
sı		Total	(Thou-	sands)		\$943,534	1,031,944	1,100,528	1,214,788	1,299,713	1,497,593	1,597,486	1,642,299	1,765,477	2,076,788	2,194,162	2,314,567	2,502,223	2,871,900	3,093,115	3,370,582	3,415,552	6	3,838,7/5	4,675,921	5,172,748	5,408,865	5,598,613	6,598,555	7,229,171	7,877,064	9,574,497	10,710,077	12,524,880	14,825,082	15,992,187	17,185,557
State Tax Collections	Special	Funds	(Thou-	sands)		\$295,542	322,699	346,480	442,538	467,814	524,765	554,713	572,490	594,587	633,492	656,815	669,267	711,185	813,937	931,958	971,625	993,277	1	1,091,387	1,118,311	1,210,229	1,283,258	1,308,350	1,385,863	1,470,905	1,497,588	1,529,459	1,641,174	1,744,013	1,874,714	1,986,139	2,116,319
State	General	Fund	(Thou-	sands)		\$647,992	709,245	754,048	772,250	831,899	972,828	1,042,773	1,069,809	1,170,890	1,443,296	1,537,347	1,645,300	1,791,038	2,057,962	2,161,157	2,398,958	2,422,275		2,746,888	3,557,610	3,962,520	4,125,607	4,290,263	5,212,693	5,758,266	6,379,476	8,045,039	9,068,903	10,780,867	12,950,368	14,006,048	15,069,238
			Fiscal	Year		1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957–58	1958-59	1959-60	1960-61	1961–62	1962–63	1963-64	1964-65	1965-66	1966–67		1966–67	1967–68	1968–69	1969-70	1970-71	1971–72	1972–73	1973-74	1974-75	1975–76	1976-77	1977–78	1978-79	1979-80
		Income	per	Capita		\$1,858	2,045	2,167	2,231	2,212	2,336	2,443	2,504	2,531	2,671	2,711	2,765	2,878	2,971	3,114	3,240	3,444		3,444	3,624	3,915	4,193	4,422	4,644	5,017	5,438	900'9	6,575	7,219	7,913	8,854	9,933
		Personal	Income 2	(Millions)		\$19,774	22,756	25,214	27,002	27,682	30,378	33,177	35,497	37,308	40,830	43,005	45,379	48,782	52,085	56,140	59,817	64,848		64,848	69,492	76,085	82,799	88,554	94,206	102,539	112,366	125,563	139,371	155,374	173,214	197,415	223,150
	Population 1	July 1st	(Thou-	sands)		10,643	11,130	11,638	12,101	12,517	13,004	13,581	14,177	14,741	15,288	15,863	16,412	16,951	17,530	18,026	18,464	18,831		18,831	19,175	19,432	19,745	20,026	20,287	20,437	20,665	20,907	21,198	21,522	21,890	22,297	22,465
					CASH BASIS	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	ACCRUAL BASIS ⁴	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978 ‡	1979 ‡

Data may not add due to rounding.

NOTE: Data are shown for 1966-67 on both bases in order to facilitate long-term comparisons.

<sup>&</sup>lt;sup>1</sup> Population estimated by the State Department of Finance.
<sup>2</sup> Personal income, 1950 through 1977, from estimates by the Office of Business and Economics, United States Department of Commerce. Data for 1978 and 1979 are estimates by the State Department of Finance.

<sup>&</sup>lt;sup>3</sup> Taxes per capita computed on the basis of population January 1, the midpoint of the fiscal year.

<sup>4</sup> Beginning in 1966–67, most state revenues were placed on an accrual basis. Beginning in 1973–74, accounts receivable only are accrued. † Estimated.

COMPARATIVE YIELD OF STATE TAXES, 1950-51 THROUGH 1979-80 (In thousands) TABLE 8

Transpor- tation Tax*	\$10,194 \$10	11 21 023 18 18.82 23 21,838 21,838 21,838 21,838 21,838 21,838 21,848 21,849 2
Motor Vehicle Fees	117,68 127,805 170,540 170,540 170,540 185,505 185,505 127,152 127,153 127,163 127,163 137,564 137,666 137,666 140,566	405,066 437,918 469,655 48,992 513,201 547,844 6644,448 6644,448 6644,448 664,448 664,448 664,448 664,448 664,448 664,448 664,448 664,411 67,000
Motor Vehicle Fuel?	\$199.907 163,076 170,0	643,698 580,487 625,667 668,537 668,537 712,456 746,196 746,196 746,196 746,196 746,196 746,196 880,181 880,181 880,181
Private e Car	\$891 1.089 1.172 1.220 1.300 1.424 1.643 1.668 1.803 1	2,937 3,865 3,865 3,739 4,148 4,552 5,701 7,333 6,964 7,753 7,753 8,200 4,200
Beer and Win	83.796 4,000 4,000 4,172 4,173 4,173 10,018 10,018 11,239 11,239 11,239 11,239 11,239 11,239 11,239 11,239 11,239	14,964 13,196 14,118 16,115 17,374 17,374 17,977 18,758 19,893 20,616 22,270 22,5000 26,700
License Fees	88,106 7,828 8,686 9,213 9,658 11,297 11,297 11,393 13,533 14,734 14,734 14,734 14,734	14,954 18,821 18,821 19,401 20,630 20,732 21,132 24,017 18,511 23,001 23,001 11,145
Horse Raving	\$16,368 20,945 20,945 20,946 22,519 22,519 26,693 36,288 36,288 36,388 37,260 38,311 41,642 47,442 47,444 47,444 47,444 47,444 47,444 47,444 47,444 47,444 47,444	94,311 54,799 59,839 58,244 64,601 64,601 78,289 86,337 96,117 102,702 111,591 118,591
Distilled Spints	\$16,094 14,430 15,546 15,546 16,108 33,970 33,963 34,963 34,963 46,368 46,368 46,368 46,368 56,145 56,748 56,748 56,748 56,748	64,733 81,700 85,494 89,793 90,765 94,717 96,907 100,854 100,854 104,697 105,278 105,008 116,008 113,500
Insur- ance	\$33,447 29,173 29,173 29,173 39,104 42,529 46,037 10,583 11,699 11,699 11,699 11,008,199	131,226 121,155 130,312 136,733 179,674 201,697 202,991 221,224 321,224 321,224 387,560 432,000
Inheritance and Gift	\$33,671 29,165 29,165 29,165 24,112 36,334 46,334 36,334 47,189 47,189 102,195 114,644 113,464 114,413	141,899 135,554 164,299 185,699 220,193 231,934 245,627 316,648 367,964 385,092 402,400
Cig.	\$64.805 66.024 66.024 66.034 70.194 74.477 74.5978	78,191 219,272 236,732 239,732 239,732 247,474 247,474 247,474 256,802 266,815 266,816 266,816 275,638 277,638 277,638 277,638
Bank and Corporation	\$98.245 1120,127 1120,127 1125,026 1125,026 1175,038 1175,599 174,033 240,735	453,292 576,874 592,303 592,303 532,091 666,152 866,151 1,057,191 1,253,673 1,253,673 1,264,500 2,082,208 2,282,208 2,460,000
Personal Income	\$75,891 90,914 94,651 106,738 113,290 149,269 160,555 269,103 299,034 392,014 410,109 4540,109 4540,109 4540,109	626.697 952,487 1,101.691 1,125.053 1,264,383 1,785,618 1,884,058 1,881,964 2,581,364 2,581,364 4,667,887 4,467,000 4,846,000 4,846,000
Sales and Use	\$399,243 417,693 467,011 465,011 462,917 564,225 660,102 661,238 661,238 661,238 671,702 711,7	1,190,750 1,464,927 1,652,979 1,652,979 1,652,979 1,808,052 2,015,993 2,198,523 2,675,738 3,742,524 4,313,909 5,655,000 6,375,000
Year Ending June 10 ASSIS BASIS	1952	1967 1968 1970 1971 1971 1973 1974 1977 1979 1979 1980

Includes the corporation income tax

Motor vehicle fuel tax (gasoline), use fuel tax (diesel and liquefied petroleum gas).
 Registration and weight fees, motor vehicle license fees and other fees.
 Repealed as of July 1, 1973.
 Repraining In 1966-67, most state revenues were placed on an accrual basis. Beginning with 1973-74, accounts receivable only are accrued. + Estimated.
 NOTE: Data are shown for 1966-67 on both bases in order to facilitate long-term comparisons.

### TABLE 9 **OUTLINE OF STATE TAX SYSTEM AS OF JANUARY 1, 1979**

	Refe	rence				
			-		Administering	
Major Taxes and Fees	Code	Sections	Base or Measure	Rate	Agency	Fund
Alcoholic Beverage Excises:						
Beer	R & T (1)	32151(a)	Gallon	\$0.04	Equalization (2)	General
Distilled spirits	R&T	32201(a)	Gallon	2.00	Equalization	General
Wine:		02201(4)		2.00		
Dry	R & T	32151(b)	Gallon	.01	Equalization	General
Sweet		32151(c)	Gallon	.02	Equalization	General
Sparkling		32151(d)	Gallon	.30	Equalization	General
Sparkling hard cider		32151(d)	Gallon	.02	Equalization	General
	και	32131(6)	Galloli	.02	Equanzation	General
Bank and Corporation:	D C T	23151	NInt in annual	0.007 (3)	Franchise (4)	General
General corporations		23501	Net income	9.0% (3)		
Banks and financial corporations	R & T	23183	Net income	13.0% Max.	Franchise	General
Cigarette	R&T	30101	Package	\$0.10 (5)	Equalization	Cigarette Tax
						Fund (6)
Energy Resources Surcharge	R&T	40032	Kilowatt hours	\$0.0002 Max.	Equalization	Energy Resources
						Surcharge Fund
Gift	R & T	15201	Market value	3-24%	Controller	General
Horse Racing License		19611	Amt. wagered	1.0-7.5%	Horse Racing Board	Fair and Expo.
B	,	19612	Breakage	0-100%		(8), Wildlife Res-
		19614				toration and Gen-
		19491				eral
Inheritance	R & T	13401	Market value	3-24%	Controller	General
Insurance		12202	Gross Premiums	2.35% (9)	Insurance Dept	General
Liquor License Fees		23320	Type of license	Various	Alcoholic Beverage	Alcohol Bev. (10)
Elquoi Electise i ees	D & I	23320	Type of ficense	various	Control Dept	and General
Motor Vehicle:					Control Dept	and General
Vehicle license fees	R&T	10751	Market value	2%€	Motor Vehicle Dept.	Vehicle License
venicle needse tees	K & I	10/31	Warker value	2/6	Motor venicle Bept.	Fee (11)
Fuel escaline	R & T	7351	Gallon	\$0.07	Equalization	Fuel (12)
Fuel—gasoline					Equalization	
Fuel—diesel		8651	Gallon	.07	Equalization	Fuel
Registration fee		9250	Vehicle	11.00	Motor Vehicle Dept.	Motor Veh. (13)
Weight fees		9400	Unladen weight	Various	Motor Vehicle Dept.	Motor Vehicle
Personal Income	R & T	17041	Taxable income	1-11%	Franchise	General
Preference Income:						
Bank and corporation	R & T	23400	Preference income over			
			\$30,000	2.5%	Franchise	General
Personal	R & T	17062	Preference income over			
			\$4,000 (single), \$8,000			
			(joint, head of			
			household, or surviving			
			spouse)	0.5-5.5%	Franchise	General
Private (Railroad) Car	R & T	11401	Valuation	(14)	Equalization	General
Retail Sales and Use		6051	Receipts from sales or	,		
		6201	lease of taxable items	4.75%	Equalization	General and State
					— <del>1</del>	Transportation
						Fund

<sup>(1)</sup> Revenue and Taxation Code.

 <sup>(1)</sup> Revenue and Taxation Code.
 (2) State Board of Equalization.
 (3) Minimum Tax \$200 per year, not applicable to banks.
 (4) Franchise Tax Board.
 (5) This tax is levied at the rate of 5 mills per cigarette.
 (6) 30 percent of the cigarette tax is remitted to local jurisdictions.
 (7) Business and Professions Code.
 (8) For support of county foirs and similar activities.

<sup>(8)</sup> For support of county fairs and similar activities.

<sup>(9)</sup> Ocean marine insurance is taxed at the rate of 5 percent of underwriting profit attributable to California business. A special rate also applies to certain types of insurance and annuities.

<sup>(10)</sup> For return to cities and counties.

<sup>(11)</sup> For payment of administrative costs and apportionment to counties, cities and school districts.
(12) For administrative expense and apportionment to state, counties and cities for highways, airports and small craft harbors.
(13) For support of State Department of Motor Vehicles, California Highway Patrol, state highways and environmental protection.
(14) Average property tax rate in the State during preceding year.

### **SCHEDULES**

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### CLASSIFICATION OF FUNDS IN THE STATE TREASURY

Revenues and expenditures in the program budget and the summary schedules reflect the activities of many separate funds. Schedules 4 and 5 provide a complete list of these funds. The Index lists those funds for which Fund Conditions are included in the budget and references the page number. General Fund and Special Fund expenditures represent the cost of government and are included in budget totals; and along with selected Bond Funds, are included in the overall expenditure totals.

GENERAL FUND—Used to account for all revenues and activities financed therefrom which are not required by law to be accounted by any other fund. Most state expenditures are financed from the General Fund. Normally, the only difference between the General Fund and the other governmental cost funds is the restriction placed on the use of revenues of the other governmental cost funds.

SPECIAL FUNDS—Consists of governmental cost funds used to account for taxes and revenues which are restricted by law for particular functions or activities of government. The funds included in these classifications are primarily for the regulation of businesses, professions and vocations; transportation; law enforcement and capital outlay.

General Fund Special Accounts—Legislatively created accounts or dedicated revenues within the General Fund. Moneys credited to such accounts may be used only for the purposes specified in the legislation. As a result of Chapter 942, Statutes of 1977, these special accounts are treated as special funds and revenues and expenditures are included in the special funds totals in the summary schedules of the budget. They are therefore excluded from the General Fund Unrestricted revenues, expenditures, reserves and balance available.

OTHER FUNDS—See Schedule 5 for a list of funds which do not represent a cost of government. Expenditures from these funds are not included in the budget totals. They consist of moneys which were derived from sources other than general or special taxes, licenses, fees or other state revenues. Included are receipts from the Federal Government, funds created for accounting purposes, receipts from sale of lands, or moneys held in trust. These funds are segregated into the following classifications:

Working Capital and Revolving Funds—Funds created to finance internal service activities rendered by a state agency to other state agencies or to local governments for which charges are made at cost. The charges are reflected as expenditures in the budget of the agency receiving the commodity or service.

Public Service Enterprise Funds—Self-supporting activities operated by the State for the benefit of the public. Funds are derived from charges to those who use the service and no support is derived from taxes, licenses or other state revenues.

Bond Funds—Used to account for the receipt and disbursement of proceeds from the sale of bonds and to finance projects for which the bonds were authorized. Expenditures are considered a cost of government at the time interest payments are made and as the bonds are redeemed.

Retirement Funds—Moneys held in trust by the State for retirement benefit payments.

Trust and Agency Funds—Funds holding moneys in trust pending disbursements to trustors, moneys received from the Federal Government to be expended for specific purposes, and other funds which do not derive their sources from taxes or other state revenues, or are in the nature of transitory funds created for the convenience of accounting receipts or disbursements which are not necessarily revenues or expenditures.

SELECTED BOND FUNDS—Included in the overall expenditure totals of Schedules 1, 3 and 7 for budget purposes are expenditures from the following funds:

Health Science Facilities Construction Program Fund.

Recreation and Fish and Wildlife Enhancement Fund.

State Beach, Park, Recreational and Historical Facilities Fund (of 1964).

State Beach, Park, Recreational and Historical Facilities Fund (of 1974).

State Clean Water (Bond) Fund.

State Construction Program Fund.

California Safe Drinking Water Fund.

State, Urban, and Coastal Park Fund (Bond Act of 1976).

California Coastal Conservancy

Schedule 2

# COMPARATIVE STATEMENT OF REVENUES: FISCAL YEARS 1977-78, 1978-79, AND 1979-80

Total	\$26,700,000 1,123,500,000 2,460,000,000 281,400,000 17,400,000 415,000,000 480,000,000 635,000,000	843,000,000 70,000,000 422,600,000 4,840,000,000 6,375,000,000 50,000,000	\$17,185,557,000	\$25,095,000 4,200,000	496,000	2,000,000 8,611,900 3,596,581	8,933,120	000'008'6	13,915,261 2,700,000 140,947,285	5,822,393 20,204,980 53,149,260 17,496,270 14,200,000 21,731,000 7,590,000 31,340,228 7,045,000	514,421 325,000,000 69,846,706 207,000 1,430,497	72,152,200 8,000,000 502,500	9,246,000
Estimated 1979–80 Special funds	\$84,400,000 11,318,770 635,000,000	843,000,000 70,000,000 422,600,000 - 50,000,000	\$2,116,318,770	\$13,950,000	496,000	2,000,000 8,611,900 3,596,581	1	1	2,700,000	20,143,435 52,910,266 17,496,277 14,200,000 7,599,000 7,599,000	514,421 - 69,846,706 200,000 1,420,997	66,317,851	9,246,000
General Fund	\$26,700,000 1,123,500,000 2,460,000,000 197,000,000 17,400,000 411,638,230 413,000,000 480,000,000	4,840,000,000	\$15,069,238,230	\$11,145,000 4,200,000	1	1 1 1	8,933,120	9,800,000	13,915,261	5,852,393 61,545 239,000 - - - 7,045,000	325,000,000 7,000 9,500	5,834,349 - 502,500	1
Total	\$25,000,000 116,500,000 2,287,000,000 15,300,000 118,987,000 390,000,000 422,000,000 555,000,000	818,000,000 67,500,000 400,700,000 5,700,000,000 45,000,000	\$15,992,187,000	\$24,970,000 4,000,000	481,000	1,805,000 6,927,700 3,311,654	4,795,754	2,197,415	14,195,535 2,820,000 103,567,131	6,066,055 19,766,206 38,843,255 17,254,782 13,550,000 20,787,000 9,846,000 29,980,037 7,783,000	522,577 425,000,000 70,345,950 207,000 1,205,779	82,580,900 8,000,000 552,500	8,629,600
Estimated 1978–79 Special funds	282,200,000 12,738,591 - 555,000,000	818,000,000 67,500,000 400,700,000 5,000,000 45,000,000	\$1,986,138,591	\$13,950,000	481,000	1,805,000 6,927,700 3,311,654	ı	1	2,820,000	19,710,111 38,512,055 38,512,055 17,264,782 13,650,000 20,787,000 9,846,000 29,980,037	522,577 - 70,345,950 200,000 1,195,779	77,038,467 8,000,000	8,629,600
General Fund	\$25,000,000 116,500,000 2,2,807,000,000 15,300,000 106,248,409 390,000,000 432,000,000	4,747,000,000	\$14,006,048,409	\$11,026,000 4,000,000	ì	1 1 1	4,795,754	2,197,415	14,195,535	6,066,055 56,095 331,200 - - - - 7,783,000	425,000,000 7,000 10,000	5,542,433 _ 552,500	I
Total	\$22,971,917 109,088,200 2,0882,207,634 273,657,519 13,396,811 111,590,954 387,559,798 494,323,312	784,076,022 66,105,330 390,256,004 4,667,887,272 5,030,434,285 39,831,392	\$14,825,081,164	\$23,921,467 8,277,118	444,417	1,559,104 5,262,061 2,943,695	8,206,359	7,394,710	20,801,512 2,776,626 72,498,984	9,067,814 16,499,876 46,893,349 17,666,401 8,747,207 187,317 9,311,122 27,304,772 6,817,482	510,288 282,695,269 56,457,024 336,761 1,137,025	89,307,218 8,298,813 590,126	9,616,449
Actual 1977–78 Special funds	S81,803,565 18,317,633 494,323,312	784,076,022 66,105,330 390,256,004 39,831,392	\$1,874,713,258	\$14,088,610	444,417	1,559,104 5,262,061 2,943,695	1	1	2,776,626	16,437,775 46,574,195 17,660,401 8,747,207 187,317 9,311,122 27,304,772	510,288 56,457,024 330,567 1,007,151	83,234,152 8,298,813	9,616,449
General Fund	\$22,971,917 109,088,200 2,082,207,624 19,83,954 13,396,811 93,773,321 351,694,774 387,559,798	4,667,887,272	\$12,950,367,906	\$9,832,857 8,277,118	1	I 1 I	8,206,359	7,394,710	20,801,512 - 72,498,984	9,067,814 62,101 319,154 - - - 6,817,482	282,695,269  6,194 129,874	6,073,066	1
Sources	MAJOR TAXES AND LICENSES Alcoholic Beverage Taxes and Fees: (a) Excise Tax on Dixilled Spirits, (b) Excise Tax on Dixilled Spirits, Bank and Corporation Tax Gift Tax Hore Racing Revenues Insurance Companies Tax Motor Vehicle License Fees ("In-Lieu" Tax)	Motor Vehicle Fuel Tax. (a) Gasoline — Gasoline — Gasoline — Gasoline — Gasoline Motor Vehicle Registration and Other Fees Personal Income Tax — Gasonal Fees — Trailer Coach Fees — Trailer Coach Fees — Gasoline — Gasolin	TOTALS, MAJOR TAXES AND LI- CENSES	OTHER REVENUES Liquor License Fees Private Railroad Car Tax	Off-Highway Motor Venicle License Fees ("In-Lieu" Tax)	Olivinghway Motor Vehicle Registration and Other Fees Personalized License Plates.  Architecture Public Building Fees	Corporation Licenses, Permits and Examina- tion Fees.	County Board Charges: Mental Health Patients and Clinic Fees	Pay Fattenis Board Charges and Clinic Fees. State Hospital Patients Teacher Credential Fees. Receipts from Health Care Deposit Fund	Mediater Receipts from the Feerlat Coovernment  Department of Food and Agriculture Department of Consumer Affairs Electrical Energy Surcharge Litter Control Fees Department of Real Estate Department of Fish and Game Department of Fish and Game Department of Insurance	Interest on Investments:  (a) Interest Income	(a) Revenues Collected by State Lands Division (b) Federal Lands (c) Other Penalties and Interest on Unemployment	Contributions

Schedule 2

COMPARATIVE STATEMENT OF REVENUES: FISCAL YEARS 1976-77, 1977-78, AND 1978-79-Continued

Total 37,466,012 4,011,703 9,522,488 11,306,400 31,109,712 8,933,783 14,805,802 4,124,420 96,428,979	\$1,105,596,908	5276,200,000	\$276,200,000
Special funds Special funds 17,666,012 4,011,703 10,591,000 200,000 7,070,000	\$463,135,467	- 57,361,661	- - 57,361,661 \$2,572,092,576
General Fund 19,800,000 19,800,000 2,715,408 2,715,400 31,109,712 8,733,783 7,780,802 4,124,420 25,122,883	\$642,461,441	57,361,661 276,200,000	\$283,561,661
Total 36,666,012 4011,703 8,20,038 14,313,600 28,835,968 11,392,645 11,392,645 4,145,397	\$1,148,131,959	\$276,200,000	\$279,626,651
Special lunds Special lunds 16,866,012 4,011,703 11,688,000 7,050,000 7,050,000	\$454,065,834	-84,555,000 - 500,000 - 6,348,118 135,000 	2,446,102 -\$18,753,302 \$2,421,451,123
General Fund 19,800,000 - 8,820,038 2,625,600 2,835,968 12,210,404 6,940,645 4,145,397 25,561,955	\$694,066,125	\$4,555,000 \$00,000 6,348,118 276,200,000 135,000 - 980,549 9,661,286	\$298,379,953 \$14,998,494,487
Total 35,588,047 3,988,816 7,934,219 15,166,691 11,347,782 11,347,782 13,309,123 3,751,447	\$15,746,863,693	\$215,000,000	\$215,000,000
Actual 1977–78 Special funds 14,472,340 3,883,816 12,932,387 4,830,813 7,948,780	\$393,644,028	- 51,298,834	- \$1,473,882
General Fund 21,115,707 7,934,219 24,346,627 6,516,969 6,160,343 3,751,447 23,106,265	\$528,138,501 \$13,478,506,407	\$1,298,834 215,000,000 - 175,048	\$216,473,882
Sources Penalties on Traffic Violations Penalties on Crimnal Convetions Secretary of State—Fees and Miscellaneous Public Utilities Commission. Proceeds Under Unclaimed Property Tax Sales of State Property. State Beach and Park Service Fees. California Exposition and State Fair Not Otherwise Classified	TOTALS, OTHER REVENUES	OTHER INCOME—TRANSFERS Bagley Conservation Fund Collier Park Preservation Driver Training Penalty Assessment Fund. Federal Revenue Sharing Fund 1 Federal Revenue Sharing Fund 1 Francisco Maritime State Historic Park Account State Construction Program Fund 1 State Construction Program Fund 1 State Motor Vehirle Insurance State Motor Vehirle Insurance State	count 2.  TOTALS, OTHER INCOME TOTALS, REVENUES AND TRANSFERS

<sup>&</sup>lt;sup>1</sup> Not recorded as reduction in special funds as these funds are nongovernmental cost funds and receipts are not included in budget totals.

<sup>2</sup> Transfer from the Special Deposit Fund to the State Motor Vehicle Insurance Special Account.

		Actual 1977-78	77-78 Budase	Solveted	General	Estimated 1978–79 Special Buc	778-79 Budget	Selected	General	Estimated 1979–80 Special Budget	79-80 Budget	Selected
	General	Special	Dudget Total	Bond funds	Fund	spuny	Total	Bond funds	Fund	spunj	Total	Bond funds
STATE OPERATIONS LEGISLATIVE/JUDICIAL/EXECUTIVE Legislative:												
Legislature. Senate	\$15,005,681 28,236,111 12,263,703	\$1,321,271 -1,237,511 -601,987	\$16,326,952 26,998,600 11,661,716	1 1 1	\$18,434,083 27,404,036 15,160,312	-\$1,431,850 246,060 -842,607	\$17,002,233 27,650,096 14,317,705	1 1 1	\$17,774,751 28,184,786 12,285,288	\$842,733 1,631,420 2,045,000	18,617,484 29,816,206 14,330,288	1 1 1
Totals, Legislature	\$55,505,495	- \$518,227	554,987,268	1 1	\$60,998,431	- \$2,028,397	\$58,970,034 6,181,449	1 1	\$58,244,825 6,433,692	\$4,519,153	\$62,763,978 6,433,692	1 1
Legislative Courses But ead	283,831 283,831 35,703	1 1		1 1	297,834 39,095 599,796	1 1 1	297,834 39,095 599,796	1 1 1	309,714 39,395 623,820	1 1 1	309,714 39,395 623,820	t 1 t
Contributions to Legislators Retirement Fund  Totals, Legislative	\$91,189,092	- \$518,227	490,670,865		\$68,116,605	-\$2,028,397	\$66,088,208		\$65,651,446	\$4,519,153	\$70,170,599	1
dicial: Judicial Contributions to Judges' Retirement Fund	\$18,528,487	\$36,888	\$18,565,375	[ 1	\$21,605,853	\$39,029	\$21,644,882 601,807		\$22,365,960 735,708 14,000	\$39,029	\$22,404,989 735,708 14,000	1 1 1
National Center for State Courts	\$18,957,738	\$36,888	\$18,994,626	1 1	\$22,221,660	\$39,029	\$22,260,689		\$23,115,668	\$39,029	\$23,154,697	1
teculive: Governor Secretary for State and Consumer Services Secretary for Business and Transportation	\$3,304,987 384,543 20,940	402,527	\$3,304,987 384,543 423,467	1.1.7	\$3,412,204 384,830 51,240	486,077	\$3,412,204 384,830 537,317	1 1 1 1	\$3,190,000 390,220 128,030 2,158,713	616,326	\$3,190,000 390,220 744,356 2,158,713	i I i 1
Secretary for Health and Welfare	868,825	1 1 1			916,521	1 1 :	916,521	1 1 1	889,282 134,836 616,681	1 1 1	889,282 134,836 616,681	1 1 1
Office of Employee Relations.  Office of Planning and Research  Office of Emergency Services.	231,603 1,080,122 2,076,783		231,603 1,080,122 2,076,783	1 1 1	2,289,207 2,243,474 7,00,343	125,000	2,243,474 2,243,474 780,342	1 1 1	2,351,211 2,320,308 869,487	1 1 1	2,351,211 2,320,308 869,487	1 1 1
Lieutenant Governor	79,695 58,614,375	- 600,511,01	79,695 68,729,384	1 1 1	81,056 64,902,768 64,502,768	10,032,214	81,056 74,934,982 77,717,951	1 1 1	75,254 66,275,614 28,549,260	10,302,019	75,254 76,577,633 30,152,454	1 1 1
State Controller.  Board of Equalization  Secretary of State E.  Charitae Descretain Commission	22,049,440 46,990,182 6,097,102 29,983	2,904,662	24,070,060 49,894,844 6,097,102 29,983	ı <b>, ı</b> , ı	48,970,180 7,571,231	3,823,053	52,793,233 7,571,231	1 1 1	50,800,929 8,810,036	3,693,306	54,494,235 8,810,036	1 1 1
Commission on Voting Machines and Vote Tabulating Dates Source Teachers	2,855	1 1		1 1	20,000	š I	20,000	1 1	2,423,666	1 1	2,423,666	
Totals, Executive	\$146,103,842	\$14,868,838	\$160,972,680		\$161,367,239	\$15,966,700	\$177,333,939		\$169,983,527	\$16,214,845	\$186,198,372	
TIVE LEGISLATIVE/JUDICIAL/EXECU-	\$256,250,672	\$14,387,499	\$270,638,171	1	\$251,705,504	\$13,977,332	\$265,682,836	ı	\$258,750,641	\$20,773,027	\$279,523,668	1
Museum of Science and Industry	\$2,595,126	ı	\$2,595,126	1	\$2,711,192	1	\$2,711,192	ı	\$2,662,996	ı	\$2,662,996	ı
Department of Consultor Atlans Board of Behavioral Science Examiners Board of Dental Examiner Board of Guide Dogs for the Blind Medical Quality Assurance	14,753	\$236,908 1,152,117 7,107,860	236,908 1,152,117 14,753 7,107,860	1 1 1 1	11,400	\$321,074 1,168,926 7,698,107	321,074 1,168,926 11,400 7,698,107	1 1 1 1	12,615	\$311,667 1,243,804 8,488,518	311,667 1,243,804 12,615 8,488,518	1 1 1 1
Board of Examiners of Nursing Home Administra- tors. Board of Optometry.  Board of Pharmacy	1 1 1	171,493 175,821 1,103,494	171,493 175,821 1,103,494	1 1 1	1-1-1	136,098 197,042 1,256,499	136,098 197,042 1,256,499	1 1 1	1 1 1	186,043 217,929 1,278,210	186,043 217,929 1,278,210	

		FISCAL	-	ALO 1977-10,		1970-19, AIVD 1979-00	ڏ ا ۽	naniiinen		F. crimoted 1070 90	00 02	
	General	Special B	Budget	Selected	General	Special Bu	Budget Total	Selected Pand finds	General	Special	Budget	Selected Rand finds
Board of Registered Nursing	Lang	1,830,827	1,830,827	Point tunds	1 Duni	1,940,885	1,940,885	- Lund Dinga	- nun.	2,001,724	2,001,724	T T T T T T T T T T T T T T T T T T T
Board of Examiners in Veterinary Medicine  Board of Vocational Nurse and Psychiatric Techni-	ı	796,562	790,362	1	ı	608,832	659,632	ı	ı	204,372	7/5,+05	1
cian Examiners	1 1	1,203,248	1,203,248	1 1	1 1	1,301,042	1,301,042	1 1	1 1	1,336,847	1,336,847	1 1
Cemetery Board Bureau of Collection and Investigative Services	1 1	142,198	142,198	1 1	1 1	149,599	149,599	1 1	1 1	71,162	71,162	1
Tax Preparer's Program  Tax Preparer's Program  Board of Archivernial Exeminer	1 1	254,976	254,976	1 1	1 1	225,423	225,423	1 1	1 1	72,658	72,658	1 1
Contractors License Board  Board of Designation for Collociety and Contract		7,245,798	7,245,798	ı	1	7,428,250	7,428,250	ı	1	8,127,351	8,127,351	1
Cists	ı	95,196	92,196	•	1	103,156	103,156	1	ı	54,019	54,019	1
Board of Landscape Architects  Board of Registration for Professional Engineers.	1 1	1,370,500	13.165	1 1	1 1	81,036	1,240,964	1 1	1 1	944,844	944,844	1 1
Structural Pest Control Board Athletic Commission	373,704	1,096,003	1,096,003	l I	443,700	1,139,311	1.139,311	1 1	434,792	1,038,016	434,792	1 1
Bureau of Automotive Repair	1	2,536,495	2,536,495	ı	1	2,624,206	2.624,206	1		2,766,700	2,766,700	1 1
Board of Cosmetology	ı <b>1</b>	1,354,822	1,354,822	1 1	l <b>1</b>	1,439,842	1,439,842	1 1		1,390,623	1,390,623	1
Bureau of Employment Agencies	1	283,218	283,218	1 1	1 1	299,951 448.758	299,951 448,758	1 1	1 1	310,015	310,015	1 1
Board of Funeral Directors and Embalmers	1	281,893	281,893	ı	1	288,487	288,487	1	1	344,020	344,020	1
Surges Registry	1 1	16 935	16 935	1 1	1 1	21,847	21.842	1 1	1 1	6.928	6.928	' '
Bureau of Repair Services	1	060,959	062939	1	i	895'689	89,568	•	1	675,940	675,940	1 1
Division of Consumer Services	1,018,752	061'6/	1,018,752	1 1	1,134,998	075,10	1,134,998		947,647	1	947,647	1
Consumer Advisory Council					31,154	1 000 000 000	31,154	1	- 00 000 00	000 000 303		1
I otals, Department of Consumer Atlans State Fire Marshal	2,783,245	552,636,742	3,54,043,951 2,783,245	1 1	2,895,089		2,895,089		2,659,099	024,040,666	2,659,099	1 1
Franchise Tax Board	59,217,879	4.653.059	59,217,879	1 1	65,113,521 5.744.656	5.411.453	65,113,521	1 1	68,437,662 6,442,410	6,562,810	68,437,662 13,005,220	1 1
State Personnel Board	15,870,998	1	15,870,998		18,857,706	1	18,857,706		19,626,727	1 1	19,626,727	1 1
State Teachers' Retirement System State Teachers' Retirement Afficie. Denotinent of Veterant Afficie.	77,000	1 1	77,000	1 1	104'07	1 1	10/107		Carle.	1	1	1
General Activities California Veterans' Home of California	2,746,541 8,212,665	1 1	2,746,541 8,212,665	1 1	3,199,758	1.1	3,199,758 10,635,736	1 1	2,948,739	1 1	2,948,739 12,055,971	1 1
Totals, Department of Veterans Assairs	\$10,959,206	1	\$10,959,206	1	\$13,835,494		\$13,835,494		\$15,004,710		\$15,004,710	
TOTALS, STATE AND CONSUMER SERVICES	\$99,797,581	\$37,289,801	\$137,087,382		\$110,805,817	\$39,742,122	\$150,547,939		\$116,321,781	\$41,603,230	\$157,925,011	
BUSINESS AND TRANSPORTATION Rucineer												
Department of Alcoholic Beverage Control Alcoholic Beverage Control Appeals Board Barking Department	\$10,987,682 213,489	- - 4 249 061	\$10,987,682 213,489 5,249,061	1 1 1	\$11,530,803	- - 4 440 397	\$11,530,803 222,410 4 440,397	1 1 1	\$11,436,691	- - 54.422.544	\$11,436,691 228,675 4,422,544	1   1
	1,256,450		1,256,450	1 1	6.264.072	1 1	6.264.072	-	765 051 9		6.350.597	1 1
Department of Economic and Business Development	2,358,358		2,358,358		4,847,971		4.847,971		5,474,220	1	5,474.220	1

COMPARATIVE STATEMENT OF EXPENDITURES BY CHARACTER, FUNCTION, ORGANIZATION UNIT AND FUND FUND FISCAL YEARS 1977–78, 1978–79, AND 1979–80——Continued

	Selected Bond funds		1 1 1	1111	1 1 1		1 1 1		11111	538,110	4,562,028
	979–80 Budget Total	8,266,637 7,516,975 -1,876,904 9,691,568 5,782,943	\$57,293,946	5,367,650 10,250,803 1,388,611 404,540,000	\$421,547,064 \$228,900,813 150,880,709	\$802,032,271	\$1,010,519 927,150 16,046,616	17,833,032 18,759,508 35,310,519 137,548 8,680,834 88,002,102	5,266,460 193,126 32,714,279 293,963 230,782 5,085,105	56,095,676 7,439,726	635,496 19,723,500 9,698,683 \$324,084,624
	Special Bu Funds	- - 9,691,568 5,782,943	\$19,897,055	5,367,650 5,750,803 n 1,388,611 404,540,000	\$417,047,064 \$228,900,813 150,736,623	\$797,388,185		17,833,032 17,458,051 17,44,858 32,144,858 - 931,072 168.608	27,988,870	3,506,739	\$101,517,343
	General Fund	8,266,637 7,516,975 1,876,904	\$37,396,891	4,500,000 h	\$4,500,000	\$4,644,086	\$1,010,519 - 16,046,616	1,301,457 3,165,661 137,548 7,749,762 87,831,494	5,266,460 193,126 4,725,409 - 230,782 5,085,105	52,588,937	635,496 19,723,500 9,698,683 \$222,567,281
man	Selected Bond funds	11111		1 1 1 1 1	1 1 1		F 1 1	1111	14,810	482,309	5,227,633
	1978–79 Budger Total	4,922,885 10,000,000 7,460,281 -409,850 9,357,110 5,881,655	\$64,517,734	5,556,586 5,974,727 1,446,885 285,648,797	\$298,626,995 \$221,251,307 145,054,931	\$665,682,297	\$900,669 692,500 15,107,289	19,537,370 20,770,407 28,846,257 148,143 8,537,833 92,241,807	2,084,033 4,084,033 4,625,551 2,84,678 2,433,286 5,433,286	55,508,270 7,506,468	679,500 21,416,400 10,025,667 \$328,052,534
	Estimated 1978–79 Special Bu	- - 9,357,110 5,881,655	\$19,679,162	5,556,586 5,974,727 1,446,885 285,648,797	\$298,626,995 \$221,251,307 144,765,127	\$665,392,493	\$692,500 _	19,537,370 19,535,476 25,648,282 - 903,096 164,609	32,264,450	3,946,293 265,000	\$103,241,754
, 13/0-13,	General	4,922,885 10,000,000 7,460,281 - 409,850	544,838,572	1 1 1 1 1	289,804	\$289,804 \$45,128,376	\$900,669	1,234,931 3,197,975 148,143 7,634,737	5,084,033 460,342 2,361,101 246,064 5,433,286	51,561,977	679,500 21,416,400 10,025,667 \$224,810,780
'0/-//CI 0UNI	Selected Bond funds	11111		1 1 1 + 1	. 1 1 1	1	1 1 1	11111		177,018	3,334,663
-	77–78 Budget Total	4,244,468 7,331,475 122,000 9,067,063 5,449,089	\$52,377,675 \$84,719 141,326	5,470,727 3,981,160 749,781 234,314,533 19,514,194	\$264,030,395 \$217,542,394 135,850,588	\$617,649,422	\$823,532 15,000 11,776,232	17,074,477 3,025,612 20,383,015 117,265 7,649,675	4,322,388 4,322,388 227,334 32,465,304 16479 262,946 5,697,457	53,348,484 8,865,183	656,449 21,851,882 9,651,351 \$296,574,656
LISCAL	Actual 1977–78 Special B	- - 9,067,063 5,449,089	\$18,765,213 \$84,719 141,326	5,470,727 3,981,160 749,781 234,314,533 19,514,194	\$264,030,395 \$217,519,245 135,738,188	\$617,513,873	\$15,000	17,074,477 54,839 17,609,456 - 690,250	29,285,282	3,870,163	149,535
	General Fund	4,244,468 7,331,475 122,000	\$33,612,462	1 1 1 1 1	\$23,149 112,400	\$135,549	\$823,532 _ 11,776,232	2,970,773 2,773,559 117,265 6,959,425	4,832,388 227,334 3,180,022 262,946 5,692,457	49,478,321	656,449 21,702,347 9,651,351 5227,235,414
		Department of Housing and Community Development  Housing Finance Agency Department of Insurance Riot and Civil Disorders Insurance Department of Real Estate Department of Saving and Loan	Totals, Business	Transportation Planning Program  Mass Transportation Program  Aeronautics Program  Highway Transportation  General Support	Totals, Department of Transportation  Department of California Highway Patrol  Department of Motor Vehicles.	Totals, Transportation TOTALS, BUSINESS AND TRANSPORTATION	RESOURCES Special Resources Programs Environmental Protection Program California Conservation Corps.	ment Commission Solid Water Management Board Air Resources Board Colorado River Board Department of Conservation Department of Forsets	State Lands Division Seismic Safety Commission Department of Fish and Game Wildlife Conservation Board Department of Boating and Waterways California Coastal Commission	California Coastal Conservancy Department of Parks and Recreation Division of Exposition and State Fart	Commission—

	General	Special Ba	77–78 Budget	Selected	General	Special Buc	978-79 Budger	Selected	General	Estimated 1979-80 Special Bu	979-80 Budget	Selected
HEALTH AND WELFARE:	Lund	spunt	lotal	Bond funds	Pun4	spunı	l otal	Bond funds	Fund	spunt	lotal	Bond lunds
Health and Welfare Agency Consolidated Data Cen- ter	1	1	1	1	\$1,120,000		\$1,120,000	1	1	1		
Office of Statewide Health Planning and Develop- ment	1		1	'	852.243	\$1.751.646	2,603,889	1	\$1,193,246	\$1.839.228	\$3.032.474	
Department of Aging Department of Alcohol and Drug Abuse	\$1,118,573	1 1	\$1,118,573	1 1	1,464,468 5,134,837	75,000	1,539,468 5,134,837	1 1	1,476,886 5,454,006	000'05	1,526,886 5,454,006	
Governor's Advisory Committee on Child Care Department of Health:	69,063	1		1	75,005	1	75,005	1	77,444	1	17,444	
General Activities State Programs for the Mentally III.	71,661,029 35,704,516	\$2,233,333	73,894,362 35,704,516	1 1	1 1	1 1	1 1	1 1	1 1	1 1	1 1	
Totals, Department of Health	\$107,365,545	\$2,233,333	\$109,598,878		\$57,263,097	\$1.204,665	\$58,467,762		\$63,079,971	\$1,325,364	\$64,405,335	
Department of Developmental Services: General Activities	1	1	1	1	8,071,314	1	8,071,314	1	9,323,299	1	9,323,299	
Department of mental freating General Activities State Programs for the Mentally III.	1 1	1 1	1 1	1 1	10,170,875	1 1	10,170,875	1 1	11,449,656	1 1	11,449,656	
Totals, Department of Mental Health	1	1			\$48,322,575		\$48,322,575	'	\$51,155,078		\$51,155,078	
Employment Development Department.	\$16,867,101	\$8,159,378	\$25,026,479	1-1	\$19,810,236	\$8,815,797	\$28,626,033	1 1	\$21,952,725	\$6,186,445	\$28,139,170	
Department of Social Services	18,236,549	1,096,747	18,236,549	1 1	26,626,086	1,830,658	26,626,086	1 1	34,459,087	1,941,679	34,459,087 1,941,679	
Department of Corrections Community Release Board	246,794,237 4,868,127	1 1		1 1	253,979,865	1 1	253,979,865 5,208,857	1 1	264,445,873 4,742,085	1 1	264,445,873 4,742,085	
TOTALS, HEALTH AND WELFARE	\$513,491,038	\$11,489,458	\$524,980,496	1	\$552,404,660	\$13,677,766	\$566,082,426		\$590,129,442	\$11,342,716	\$601,472,158	
EDUCATION: Education—K through 12 Department of Education:									-			
General Activities Special Schools for the Handicapped Division of Libraries	\$18,868,218 16,984,253 4,466,096	1 1 1	\$18,868,218 16,984,253 4,466,096	1 1 1	\$23,863,036 19,268,639 4,697,895	1 1 3	\$23,863,036 19,268,639 4,697,895	1 1 1	524,711,404 20,429,028 5,301,198	1 1 1	\$24,711,404 20,429,028 5,301,198	
Totals, Department of Education	\$40,318,567		\$40.318,567		\$47,829,570		\$47,829,570		\$50,441,630	1	\$50,441,630	
Advisory Council on Vocational Education Commission for Teacher Preparation and Licensing	25,359	\$2,849,965	25,359 2,944,700	1 1	84,989	53,029,341	84,989	1 1	88,241	\$3,314,614	88,241	
Totals, Education-K through 12	\$40,438,661	\$2,849,965	\$43,288,626		\$47,914,559	\$3,029,341	\$50,943,900	1	\$50,529,871	\$3,314,614	\$53,844,485	
Higher Education Postsecondary Education Commission University of California Hastings College of Law California State University and Colleges California Mantime Academy	\$1,491,456 737,497,575 4,149,613 666,072,072 2,187,100	52,601,385	\$1,491,456 740,098,960 4,149,613 666,072,072 2,187,100	1 1 1 1 1	\$1,739,933 767,049,891 4,207,234 691,934,302 2,236,679	\$623,600	\$1,739,933 767,673,491 4,207,234 691,934,302 2,236,679	1111	\$1,664,935 797,146,631 4,521,173 714,280,222 2,341,156	\$100,000	\$1,664.935 797,246,631 4,521,173 714,280,222 2,341,156	

COMPARATIVE STATEMENT OF EXPENDITURES BY CHARACTER, FUNCTION, ORGANIZATION UNIT AND FUND FUND FISCAL YEARS 1977-78, 1978-79, AND 1979-80—Continued

		Actual 1977–78	77-78			Estimated 1978-79	67-8761			Estimated 1979-80	08-6261	
	General Fund	Special	Budger	Selected Bond funds	General Fund	Special funds	Budget	Selected Bond funds	General Fund	Special	Budget Total	Selected Bond funds
Board of Governors of the California Community	2,433,430	389,242	2,822,672	1	2,523,704	522,827	3,046,531	1	2,800,874	411,181	3,212,055	
Innovative Programs—Instructional Improve- ment — Student Aid Commission — Student Aid Commission — — — — — — — — — — — — — — — — — — —	50,000 67,674,578	1 1	50,000 67,674,578	1 1	100,000	1 1	100,000	1 1	78,388,781	1 1	78,388,781	
	\$1,481,555,824	\$2,990,627	\$1,484,546,451		\$1,546,363,465	\$1,146,427	\$1,547,509,892	-	\$1,601,143,772	\$511,181	\$1,601,654,953	
TOTALS, EDUCATION	\$1,521,994,485	\$5,840,592	\$1,527,835,077		51,594,278,024	\$4,175,768	\$1,598,453,792	1	\$1,651,673,643	\$3,825,795	\$1,655,499,438	
GENERAL GOVERNMENT. General Administration:												
Fair Political Practices Commission Political Reform Act of 1974	\$1,274,909 2,572,518	1 1	\$1,274,909 2,572,518	1 1	51,388,384 3,187,290	1 1	\$1,388,384 3,187,290	1 1	\$1,415,435 3,134,096	1 1	\$1,415,435 3,134,096	
Agricultural Labor Relations Board Public Employment Relations Board	6,943,954 2,676,262	1 (	2,676,262	1 1	3,046,305	1 1	3,046,305	1 1	5,084,171	1 1	5,084,171	
Department of Finance California Fiscal Information System	10,403,876	1 1	10,403,876	1 1	9,757,879 2,123,698	I I	2,123,698	1 1	3,748,976	1 1	3,748,976	
Department of Food and Agriculture Department of Industrial Relations	23,983,584 48,168,310	\$15,242,719	39,226,303 48,168,310	1 1	22,826,338 54,189,140	518,315,071	41,141,409 54,189,140	1 1	23,257,816 56,766,656	519,258,166	42,515,982 56,766,656	
Unnsured Employers Fund Workers' Compensation Benefits	4,118,640	I	4,118,640	I	6,090,202	I	6,090,202	ı	1	1	1	
Morkets Compensation Benefits for Subsequent	2,101,313	1,342,253	3,443,566	ı	2,900,000	1,292,500	4,192,500	1	3,327,000	1,300,000	4,627,000	
Economy	144,201	1	144,201	1	150,777	1	150,777	1	176,591	4	176,591	
Commission on Interstate Cooperation California Arts Council	69,895 3,359,457	1 1	69,895 3,359,457	1 !	88,265 1,390,778	1 1	88,265 1,390,778	1 1	78,964 10,791,057	1 1	10,791,057	
California Broadcasting Commission	795,422	I	795,422	1	108 679	1	308 679	1 1	319 420	1 1	595,967	
Military Department	8,827,532	1 071 0	8,827,532	1	9,343,345	+ 0000	9,343,345	ı	9,630,281	- 0.084 177	9,630,281	
Commission on the Status of Women	247,332	7,140,126	247,332	1 1	256,243		256,243	1 1	260,713	7/1100000	260,713	
intergovernmental board on Electronic Data Frocessing	113,858	ı	113,858	1	10,000	1	10,000	1	1 9	1	1 7	
Native American Heritage Commission	104,599	t I	104,599	1 1	166,406 38,255	1 1	166,406 38,255	1 1	157,327	1 1	157,327	
Horse Racing Board	33,200	977,357	1,010,557	1	ı	1,240,691	1,240,691	1	1 3	1,612,135	1,612,135	
Board of Chropractic Examiners	1 !	292,397	292,397	1 3	1 1	315,584	315,584	1 1	1 1	338,098	338,098	
Santa Monica Mountains Comprehensive Planning	1	40,069	490,04	1	ı	90,139	661,06	1	ı	618,00	618,00	
California Information Systems Implementation	260,521	1	260,521	ı	150,928	ı	150,928	t	ı	ı	ı	
Commission Commission on Peace Officer Standards and Train-	42,520	1	42,520	ı	42,084	1	45,084	1	ŧ	1	1	
office of Criminal Justice Planning	901.445	2,457,926	2,457,926 901,445	1 1	2.667.069	2,403,532	2,403,532 2,667,069	1 1	1,781,266	2,450,057	2,450,057 1,781,266	
State Public Defender Administration and Payment of Tort Liability	3,931,055	1	3,931,055	1	6,198,277	1	6,198,277	1	5,727,343	1	5,727,343	
Claums Claums State Board of Control	716 711	35,530	35,530	I 1	457 709	1 1	457 709	1 1	500,000	i 1	500,000	
Indemnification of Private Citizens State Bar of California	5,879,511	30,412	5,909,923	1 1	6,902,678	428,797	7,331,475	1 1	5,462,245	2,308,892	30,000	
Totals, General Administration	\$143,085,979	\$29,709,633	\$172,795,612	1	\$158,360,392	\$33,340,103	\$191,700,495		\$164,867,504	\$36,419,940	\$201,287,444	

COMPARATIVE STATEMENT OF EXPENDITURES BY CHARACTER, FUNCTION, ORGANIZATION UNIT AND FUND FUND FISCAL YEARS 1977–78, 1978–79, AND 1979–80—Continued

Selected Bond funds	1	1 1 1	1	1	1 1 7		1 1	\$5,100,138			1	1	1 1	1 1				1 1 1	ı	
979_80 Budget Total	\$210,385,746	_\$6,250 27,079,900.		\$27,073,650	1,708,000 3,000,000 10,471,000	\$15,179,000	-\$50,064,072	-\$75,064,072 \$4,256,692,884			\$7,900,423	1	62,574	9,500	- 200 023	\$7,972,497		38,205,622	000'61	\$38.493,872
Estimated 1979–80 Special Bu funds Tr	1	1 1 1	1	1	1,500,000	\$4,471,000	1 4	51,037,238.291			\$7,900,423	1	1 1	1 1	1	\$7,900.423		\$850,000	1	\$850,000
General Fund	\$210,385,746	_\$6,250 27,079,900	1	\$27,073,650	\$1,708,000 1,500,000 7,500,000	\$10,708,000	-\$50,064,072 -25,000,000	-\$75,064,072 \$3,219,454,593			1	1	62,574	9,500	- 200.23	\$72,074		\$63,800 20,000 37,355,622	000'51	\$37,643.872
Selected Bond funds	1	1 1 1	\$29,584	\$29,584	1 1 1	\$29,584	1 1	55,754,336			ı	ı	1 1	1 1	1	1   1		1 1 1	1	1   1
978–79 Budget Fotal	\$187,890,691	- \$6,250 24,383,000	3,581,978	\$27,958,728	\$8,188,138 2,355,582 4,451,156	\$14,994,876	-\$37,761,478	- \$58,761,478 \$4,002,802,870			\$16,000,000	\$14,000	462,879	255,270	25,000	\$16.857.649		\$153,000 375,257 \$78,218,295	37,750	\$79,095,683
Estimated 1978–79 Special Buo funds To	1	1 4 1	\$94,894	\$94,894	\$291,016 1,312,076 1,459,518	\$3,062,610	1 1	\$896,384,004			\$16,000,000	1	1 1	1 1	1	000 000 918	•	\$67,750	1	\$67,750
General Fund	169'068'181\$	_ \$6,250 24,383,000	3,487,084	\$27,863,834	\$7,897,122 1,043,506 2,991,638	\$11,932,266	-537,761,478	<u>-\$58,761,478</u> <u>\$3,106,418,866</u>			1	\$14,000	462,879	255,270	25,000	\$857.649		\$153,000 375,257 78,150,545	37,750	\$11,381
Selected Bond funds	1	1 1 1	156,406	\$156,406	1 1 1	\$156,406	1 1	53,668,087			ı	ı	1 1	1 1	1			1 1 1	1	
77–78 Budger Total	\$166,037,824	-\$288,750 17,781,758 2,902	4,943,939	\$22,439,849	1 1 1	\$361,273,285	-\$30,711,620	- \$30,711,620 \$3,757,704,544			\$7,566,115	1	317.790	85.880		\$7,969.785		\$120,867 94.220 \$23,388,807	1	\$23.974.936
Actual 1977-78 Special B.	1	1 1 1	\$344,541	\$344,541	1 1 1	\$30,054,174	1 1	\$804.679,852			\$7,566,115	1	1 1	1 1		\$7.566.115		\$3,250	1	\$3,250
General Fund	\$166,037,824	-\$288,750 17,781,758 2,902	4.599,398	\$22,095,308	1 1 1	\$331,219,111	-830,711,620	<u>- \$30,711,620</u> \$2,953,024,692			1	1	317,790	85,880		\$403,670		\$120,867 94.220 \$23,385,557	'	\$23,971,686
	Debt Service: Micoal Interest and Redemption	Macking Capital Advance Working Capital Advance Health Benefits for Annuitants Refunds of Taxes, Licenses and Other Fees	Legislative Claims	Totals, Miscellaneous	Augmentation for Employee Compensation	TOTALS, GENERAL GOVERNMENT	Misculaneous: Credits to the General Fund for Overhead of Special Funds Estimated Unidentifiable Savings	Totals, Miscellaneous	CAPITAL OUTLAY	LEGISLATIVE/JUDICIAL/EXECUTIVE Legislative Logislative	Legislature: Joint Expenses.	Judicial.	Department of Justice State Controller	Board of Equalization Secretary of State	State Treasurer	TOTALS, LEGISLATIVE/JUDICIAL/EXECU-	STATE AND CONSUMER SERVICES	Franchise Tax Board Despite Services	State Personnel Board Department of Veterans Affairs:	Veterans Home of California

COMPARATIVE STATEMENT OF EXPENDITURES BY CHARACTER, FUNCTION, ORGANIZATION UNIT AND FUND FUND FISCAL YEARS 1977–78, 1978–79, AND 1979–80—Continued

Selected Bond funds	1 > 1 1	1 1 1 1	51,847,000 3,000,000	16,282,663		5,053,000	\$5,053,000
979-80 Budget Total	000,000 70,000 - - - - - - - - - - - - - - - - -	3,208,146 4,102,750 \$185,010,896 \$185,010,896	\$286,700 2,742,106 - 4,787,800 750,000	6,712,099 525,000 28,658,200 \$44,461,905	965,874 43,812,490 1,568,808 3,408,555 103,196,206 2,233,900	\$53,000 15,547,000 99,000 10,763,400 130,680	4,814,300 \$31,360,380 \$31,413,380
Estimated 1979–80 Special But	5177,630,000 - 70,000 	3,208.146 4,102,750 \$185,010,896 \$185,010,896	54,787,800 750,000	6,712,099 25,000,000 \$37,249,899	\$3,408,555 - - - - - - - - - - - - - - - - - -	- 15,547,000 99,000 10,769,400 130,680	4,814,300 \$31,360,380 \$31,360,380
General Fund		1 1 1 1	\$286,700 2,742,106 - -	\$25,000 3,658,200 \$7,212,006	965,874 43,812,490 1,568,808 - 103,196,206 2,233,900	\$53,000	\$53,000
Selected Bond funds	1 1 1 1	1 1	2,554,700 2,554,700 4,000,000	189,162,529 402,500 \$217,564,280		- \$21,332,906 11,387,000	1,392,500 \$34,112,406 \$34,112,406
1978–79 Budger Total	\$394,429 284,830,380 - \$285,224,809	2,695,999 11,815,342 \$299,736,150 \$299,736,150	\$1,334,600 4,446,270 3,600,000 2,360,805 2,194,130	86,376,159 1,799,120 29,450,900 5131,561,984	5783,200 1,073,977 52,935,432 2,899,919 161,440 80,300 11,914,404 5,895,926 575,744,598	\$8,821,525 29,452,800 7,405,000 17,477,581 400,740	13,505,082 \$68,241,203 \$77,062,728
Estimated 1978–79 Special Bug funds To	284,830,380 284,830,380 - 5285,224,809	2,695,999 11,815,342 \$299,736,150 \$299,736,150	827,510 1,709,061	78,187,342 25,813,700 \$106,537,613	5161,440	\$8,759,525 29,452,800 7,405,000 17,394,581 400,740	8,546,082 \$63,199,203 \$71,958,728
General Fund		1 1 , 1 , 1	\$1,334,600 4,446,270 3,600,000 1,533,295 485,069	8,188,817 1,799,120 3,637,200 \$25,024,371	\$783,200 1,073,977 52,915,432 2,899,919 80,300 11,914,404 5,895,926 575,583,158	\$62,000	\$5,104,000
Selected Bond funds	1 1 1 1	1 1 • 1 • 1	1,197,091 423,000	36,745,362 325,766 \$38,691,219		\$22,151,043	4,766,790 \$26,917,833 \$26,917,833
77–78 Budger Total	\$105,571 195,208,239 2,736,406 \$198,050,216	1,184,038 3,274,748 \$202,509,002 \$202,509,002	\$254,935 1,943,394 279,949 1,670,606	16,408,440 527,542 23,504,944 544,589,810	26,503 22,287 1,719,627 1,200,855 518,454,155	\$25,938,865 12,423,700 1,075,320 34,222,333 2,281,977	33,134,598 \$83,137,928 \$109,076,793
Actual 1977–78 Special Bu funds T	\$105,571 195,208,239 2,736,406 \$198,050,216	1,184,038 3,274,748 \$202,509,002 \$202,509,002	\$204,144 677,688	8,398,021 22,527,714 531,807,567	\$26,503	\$25,930,865 12,423,700 1,075,320 34,222,333 2,281,977	\$3,134,598 \$83,137,928 \$109,068,793
General Fund	1 1 1 1 1	1 1 1	\$254,935 1,943,394 75,805 992,918	8,010,419 527,542 977,230 \$12,782,243	\$15,484,883 	88,000	\$8,000
	BUSINESS AND TRANSPORTATION Transportation: Department of Transportation Mass Transportation Highway Transportation General Support Totals, Department of Transportation	Department of California Highway Patrol Department of Motor Vehicles Totak, Transportation	RESOURCES California Conservation Corps Department of Forestry State Lands Division Department of Fish and Game Wildlife Conservation Board Department of Boating and Waterways.	Captionia Constance Constants Department of Parks and Recreation Division of Exposition and State Fair Department of Water Resources TOTALS, RESOURCES	HEALTH AND WELFARE Health and Welfare Agency Consolidated Data Centern Consolidated Department of Mental Health Consolidated Consolidated Department of Social Services Department of Social Services Department of Corrections Department of the Youth Authority TOTALS, HEALTH AND WELFARE.	EDUCATION Education—K through 12: Department of Education Special Schools for the Handicapped Higher Education: University of California Hastings College of Law California State University and Colleges California Martine Academy Board of Construct of the Colleges California Martine Academy Board of Construct of the Colleges	Doard of Covernors of the California Community College.  Totals, Higher Education  TOTALS, EDUCATION

COMPARATIVE STATEMENT OF EXPENDITURES BY CHARACTER, FUNCTION, ORGANIZATION UNIT AND FUND FUND FISCAL YEARS 1977–78, 1978–79, AND 1979–80—Continued

Selected Bond finds	11111	\$26,182,663	( 1 1	1 1 1 1	1 1 1		
979-80 Budget	\$10,000 1,763,500 - - - -	\$1,940,800 326,000 1,000,000 -450,000 \$1,770,000 \$3,710,800 \$466,269,183	\$2,718,815 24,499,463 4,440,000	\$41,243,710	135,000 2,000 1,256,000 592,712	\$1,844,712 \$5,479,712 \$46,723,422	\$25,000 1,040,260 5,114,840 840,000 \$7,020,100
Estimated 1979-80 Special But			1 1 1	23.500,000	1 111	\$3,500,000	\$1,040,260
General	S10,000 1,763,500 167,300	\$1,940,800 \$320,000 1,000,000 \$1,770,000 \$1,770,000 \$3,710,800 \$200,489,030	\$2,718,815 24,499,463 4,440,000	9,585,432 \$41,243,710 	\$135,000 2,000 1,250,000 592,712	\$1,844,712 \$1,979,712 \$43,223,422	\$25,000 - 5,114,840 840,000 \$5,979,840
Selected Bond finds		493,166 5493,166 5493,166 5493,166 5493,166 5252,169,852	1.1.1	1 1 1 1 1	1 11		
978–79 Budget Foral	\$10,000 943,755 25,000 854,460 55,970 26,000	\$1,915,185 \$305,886 \$00,000 \$805,886 \$805,886 \$805,886 \$805,7863	\$465,496 24,281,997 4,440,000	\$37,057,873	212,762 12,762 1,250,000 47,131	\$1,509,893 \$7,338,977 \$44,396,850	\$25,000 1,040,260 2,564,840 1,000,000
Estimated 1978–79 Special Buc	111111	\$494,461,68	1 1 1		1 111		1,040,260
General	\$10,000 943,755 25,000 85,970 26,000	\$1,915,185 \$305,886 \$00,000 - - \$805,886 \$805,886 \$2,721,071	\$465,496 24,281,997 4,440,000	\$37,057,873	104,000 212,762 1,250,000 47,131	\$1,509,893 \$8,113,893 \$45,171,766	\$25,000 2,564,840 1,000,000 \$3,589,840
Selected Band funds		\$65,609,052	<b>t</b> 1 1	1 1 1 1	1 111	1 1 1 1	t t t t t t
977-78 Budget Total	5409,280	\$461,158 \$263,110 \$263,110 \$263,110 \$724,268 \$724,268	\$102,340 21,301,847 3,840,000	\$329,716 \$31,573,903 -83,057,157	\$93,359 1,063,953	\$1,391,905 - \$1,547,973 - \$30,025,930	\$7,278 15,511 - 1,000,000 1,000,18
Actual 1977–78 Special B	11111		1 1 1	-83.057.157			1 1 1 1
General	\$409,280	\$461,158 \$263,110 \$263,110 \$263,110 \$724,268 \$754,268	\$102,340 22,301,847 3,840,000	5,329,716 531,573,903 117,054	\$93,359 1,063,953	\$1,391,905 \$1,391,905 \$1,509,184 \$33,083,087	\$7,278 15,511 - 1,000,000 \$1,022,789
	GENERAL GOVERNMENT General Administration: Agricultural Labor Relations Board Department of Food and Agriculture Department of Industrial Relations. Military Department Public Utilities Commission State Public Defender	Totals, General Administration Unallocated: Unallocated Capital Outlay: Project Planning Increased Cost of Construction Project Inspection Charges, P.W.E.A. Title 1 Totals, Unallocated Capital Outlay Totals, Unallocated TOTALS, GENERAL GOVERNMENT TOTALS, CAPITAL OUTLAY	LOCAL ASSISTANCE LEGISLATIVE/JUDICIAL/EXECUTIVE Judicial: Judicial: Salaries of Superior Court Judges. State Block Grants for Superior Court Judges.	Contributions to Judges' Retirement Fund	Department of Justice. Legislative Mandates. Secretary of State: Subventions for Signatures in Lieu of Filing. Subventions for Registration by Mail Subventions for Voter Registration File Purge.	Totals, Secretary of State	STATE AND CONSUMER SERVICES: Franchise Tax Board: Legislative Mandate. Department of General Services. Public Employees Retirement System Department of Veterans Affairs. County Veteran Service Officers. TOTALS. STATE AND CONSUMER SERVICES

COMPARATIVE STATEMENT OF EXPENDITURES BY CHARACTER, FUNCTION, ORGANIZATION UNIT AND FUND FUND FISCAL YEARS 1977–78, 1978–79, AND 1979–80—*Continued* Schedule 3

Selected Bond funds	1 1			511,344,699	1	36,358,800	90,000,000	90,000,000	1 1 1	1 1
9-80 Budget Fotal	\$3,780 625,000	\$6,303,780	\$2,031,500 29,215,800 5,010,351 42,815,000 579,072,651 \$79,072,651 \$85,376,431	\$330,100 6,738,000 6,600,000 356,425 400,000 10,000,000	008'6	3,143,500	\$3,143,500	\$27,577,825	\$3,105,500 30,861,618 23,783,604	27,645,645
Estimated 1979-80 Special But	1-1		\$2,031,500 29,215,800 29,215,800 42,815,000 \$79,072,651 \$79,072,651	\$3,038,000 6,600,000	ı	1 1 1 1	, I I I	\$9,638,000	1 11	1 1
General Fund	\$3,780 625,000	\$6,303,780	56,303,780	\$330,100 3,700,000 356,425 400,000 10,000,000	008'6	3,143,500	53,143,500	\$17,939,825	\$3,105,500 30,861,618 23,783,604	554,645,222
Selected Bond funds	(-)	1 1			ı	40,292,400	\$40,292,400 80,000,000	80,000,000	1 1 1	1 1
978–79 Budget Total	\$3,780 1,232,800	4,650,000 \$5,886,580	\$2,644,500 20,187,862 5,150,000 58,684,013 586,666,375 586,666,375 592,552,955	\$372,210 6,738,000 6,675,000 356,425 400,000 34,939,095	008'6	2,500,000 200,000 500,000	53,200,000	370,000	\$2,623,460 31,171,330 22,447,604	\$53,618,934 -
Estimated 1978–79 Special Buc	1-1	1	\$2,644,500 20,187,862 5,150,000 58,684,013 586,666,375 586,666,375	\$3,038,000 6,600,000 - 2,030,297	1	200,000	000'005\$	\$12,168,297	1 1 1	1 1
General Fund	\$3,780 1,232,800	4,650,000	\$5,886,580	\$372,210 3,700,000 75,000 356,425 400,000 32,908,798	6,800	2,500,000	\$2,700,000	370,000	\$2,623,460 31,171,330 22,447,604	\$53,618,934
Selected Bond funds	1 1	1 ← 1		- - - 539,772,200	ı	1,075,420	\$1,075,420 46,426,244	46,426,244	1 1 1	1 1
177–78 Budget Total	\$3,780 17,200	3,085,000	\$2,400,572 7,106,313 \$,193,895 .4,957,277 \$39,658,057 \$39,658,057	\$291,497 4,802,595 7,173,080 336,250 400,000 23,353,127	t	3,889,716 198,378 -	54,088,094	\$40,444,643	30,659,576	\$30,659,576 \$2,121,668,708
Actual 1977–78 Special B	1 1	1   1	\$2,400,572 7,106,313 5,193,895 24,957,277 \$39,658,057 \$39,658,057 \$39,658,057	\$2,003,496 7,173,080 - 1,097,178	ı	1 1 1 1	1 1 1	\$10,273,754	1 1	t 1
General Fund	53,780 17,200	3,085,000		\$291,497 2,799,099 - 336,250 400,000 22,255,949	ı	3,889,716 198,378 	\$4,088,094	\$30,170,889	30,659,576	\$30,659,576 \$2,121,668,708
	BUSINESS AND TRANSPORTATION Business. Department of Corporations: Legislative Mandates. Department of Economic and Business Development Department of Housing and Community Development	Totals, Business	Department of Transportation: Transportation Program Mass Transportation Program Aeronautics Program. Highway Transportation Totals, Department of Transportation Totals, Transportation Totals, Business and Transportation	RESOURCES Special Resources Programs Air Resources Board Department of Boating and Waterways. California Coastal Commission Legislative Mandates Department of Parks and Recreation San Francisco Bay Conservation and Development	Commission: Legislative Mandates	Flood Control Subventions Delta Levee Mantenance Subventions State Financial Assistance for Local Project Safe Drinking Water Projects	Totals, Department of Water Resources State Water Resources, Control Board: Grants for Clean Water Facilities Load Fathites	Totals, State Water Resources Control Board	HEALTH AND WELFARE Office of Statewide Health Planning and Development ment Department of Alcohol and Drug Abuse: Alcoholism Program Narcotics and Drug Abuse Program	Totals, Department of Alcohol and Drug Abuse Department of Health

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		Actual 1977-78	87-77			Estimated 1978-79	62-8261			Estimated 1979-80	08-6261	
	General	Special	Budget Total	Selected Bond funds	General Fund	Special funds	Budget	Selected Bond funds	General	Special	Budget	Selected Bond funds
Department of Health Services: Medical Assistance Program	1	i	i	ı	1,604,494,950	1	1,604,494,950	1	1,724,096,118	1	1,724,096,118	'
Price and Provider Kate Increase	1 1 1 1	1 1 1 1	1 1 1 1	1 1 1 1	48,287,038 26,792,767 169,488	1 1 1 1	48,287,038 26,792,767 169,488	1 1 1 1	61,879,640 38,767,233 26,944,825 169,488	1 1 1 1	61,879,640 38,767,233 26,944,825 169,488	
Totals, Department of Health Services				1	\$1,679,744,243	'	\$1,679,744,243	,	\$1,851,857,304	1	\$1,851,857,304	
Developmental Disabilities Program Legislative Mandates	1 1	1 1	1 1	1 1	357,470,482 123,438	1,620,400	359,090,882 123,438	1 1	371,043,785 123,438	1,620,400	372,664,185 123,438	
Totals, Department of Developmental Services	4	1			\$357,593,920	\$1,620,400	\$359,214,320	1	\$371,167,223	\$1,620,400	\$372,787,623	•
Mental Health Services Legislative Mandates	1 1	1 1	1 1	1 1	\$356,073,883	1 1	\$356,073,883	1 1	\$386,589,924	1 1	\$386,589,924	
Totals, Department of Mental Health					\$356,387,543		\$356,387,543	'	\$386,903,584		\$386,903,584	,
Legislative Mandates	ı	1	1	I	\$1,839,000	1	\$1,839,000	1	\$600,000	1	\$600,000	,
Separtification of Section Services.	\$721,202,706	1	\$721,202,706	ı	734,844,300	1	734,844,300	1	706,156,442	1	706,156,442	'
AFDC Grants Special Adult Programs	5,305,204	1 1	5,305,204	1 1	5,437,596	) I	5,437,596	1 1	11,767,300	1 1	11,767,300	1 1
Special Social Service Programs	- 225 427	1 1	175.427	1 1	132,113,865	1 1	132,113,865	1 1	177,143,755	1 1	177,143,755	1
County Administration	70,344,248	1 1	70,344,248	1 1	68,160,691	1 1	169,091,89	1 1	79,008,300	1 1	79,008,300	•
Executive Mandates Legislative Mandates	21,692,310	1 1	21,692,310		42.100 16,581,937	1 1	42,100 16,581,937	1 1	42,100 14,407,300	1 1	42,100	
Totals, Department of Social Services	\$1,439,287,895		\$1,439,287,895		\$1,558,815,444		\$1,558,815,444		\$1,650,492,997		\$1,650,492,997	
Department of the Youth Authority: Transportation of Wards	43,522	1	43,522	1	43,540	1	43,540	ŧ	43,540	1	43,540	1
Juvenile Homes, Ranches, and Camps Delinquency Prevention	3,881,437 595,300	1 1	3,881,437	1 1	732.276	1	732,276	1 1	233,300	1 1	233,300	1 1
Special Probation Supervision Programs	14,938,962	1	14,938,962	1	62,546,500	1	62,546,500	1	58,137,290	1	58,137,290	'
thority Parolees. Legislative Mandates	1 1	1 1	1 1	1 1	75,500	1 1	75,500	1 1	75,500	1-1	75,500	
Totals, Department of the Youth Authority	\$19,459,221		\$19,459,221		\$81,397,816		\$81,397,816	1	\$58,489,630		\$58,489,630	
TOTALS, HEALTH AND WELFARE	\$3,613,238,003		\$3.613,238,003	1	\$4.095.914.228	\$1.620.400	\$4,097,534,628	1	\$4,381,155,328	\$1,620,400	\$4,382,775,728	

ļ.	Selected Bond funds	111111	1 1 1 1 1 1 1 1		11111		1 1 1 1	
08-64	Budget Total	\$115,207,000 945,000 331,423 124,051,882 44,065,800 3,736,818	14,005,317 149,404,143 190,800 10,956,380 250,000 107,389,267	257,580 1,496,000 38,351,080 821,364 46,210,444	2,746,855,565 -32,500 4,628,369 365,231	\$3,410,093,716 144,300,300 -30,704,793 -300,000 \$35,523,388,923	\$567,380,794 20,472,092 1,710,000	\$589,562,886 \$589,562,886 \$4,112,951,809
Estimated 1979-80	Special funds	\$331,423 	1111111		9,028,000	\$9,359,423 1,500,000 -300,000 \$10,559,423	1 1 1 1	\$10,559,423
- space a same or	General Fund	\$115,207,000 945,000 124,051,882 44,065,800 3,736,818	14,005,317 149,404,143 190,800 10,956,380 250,000 107,389,267 606,753	257,580 - 1,496,000 38,351,080 821,364 46,210,444	2,737,827,565 -32,500 4,628,369 365,231	\$3,400,734,293 144,300,000 -32,204,793 - 53,512,829,500	\$567,380,794 20,472,092 1,710,000	\$589,562,886 \$589,562,886 \$4,102,392,386
	Selected Bond funds	111111	1111111	11111		1 1 1 1 1	t t 1 1	
67-876	Budget Total	\$123,286,200 945,000 330,986 112,958,000 44,065,800 3,736,818	14,005,317 101,424,195 180,000 14,523,400 250,000 106,008,906 606,753	257,580 12,598,871 - 70,546,205 821,364 35,292,729	2,621,635,018 105,000 - 4,590,000 300,791	\$3,268,523,433 144,300,000 -15,283,854 856,244 \$3,398,395,823	5535,264,900 17,389,919 1,900,000 3,757	\$554,558,576 \$554,558,576 \$3,952,954,399
Estimated 1978-79	Special funds	5330,986		32,195,125	11,096,115	\$43,622,226 1,319,056 856,244 \$45,797,526	1 1 1 1	845,797,526
	General Fund	\$123,286,200 945,000 - 112,958,000 44,065,800 3,736,818	14,005,317 101,424,195 180,000 14,523,400 250,000 106,008,906 606,753	257,580 12,598,871 - 38,351,080 821,364 35,292,729	2,610,538,903 105,000 4,590,000 300,791	\$3,224,901,207 144,300,000 -16,602,910 - \$3,352,598,297	\$535,264,900 17,389,919 1,900,000 3,757	\$554,558,576 \$554,558,576 \$3,907,156,873
	Selected Bond funds		1 4 1 1 1 1 1 1	1 1 1 1 1 1	1 1 1 1 1 1	1 1 4 4 1	1 1 1	
977-78	Budget Total	\$116,779,860 310,691 118,540,051 71,698,830 3,763,304	14,680,625 57,395,378 180,000 14,523,400 1,168,323 2,5000 97,270,149 636,000	270,000 12,868,915 - 16,225,725 774,008 33,761,478	2,323,281,077 - 248,333 1,000,000 1,000,000 42,756	\$2,886,194,387 144,300,000 10,493,955 40,371 \$3,041,028,713	\$472,907,097 13,983,157	\$486,890,416 \$486,890,416 \$3,527,919,129
Actual 1977–78	Special funds	\$310,691		_ _ 	9,144,741	-\$15,206,182 1,418,825 40,371 -\$13,746,986	1 1 1 1 ; • :	- \$13,746,986
	General Fund	\$116,779,860 - - 1118,540,051 71,698,830 3,763,304	14,680,625 57,395,378 180,000 14,523,400 1,168,323 2,50,000 97,270,149 636,000	270,000 12,868,915 - 40,887,339 774,008 33,761,478	2,314,136,336 -248,333 1,000,000 1,000,000 42,756	\$2,901,400,569 144,300,000 9,075,130 \$3,054,775,699	\$472,907,097 13,983,157	\$486,890,416 \$486,890,416 \$3,541,666,115
		EDUCATION  Education—K through 12. Department of Education: School Improvement Program Staff Development and Resource Centers Conservation Education Educational Education Educationally Disadvantaged Youth Program Urban Impact Aid Compensatory Education.	Special Elementary School Keading Instruction Program Special Education Master Plan—Special Education Sheltered Workshops Development Centers Career Gudance Centers Child Development American Indian Education	Native American Indian Education Program Bilingual-Bicultural Education Bilingual Teacher Corps Textbooks and Instructional Materials Instructional Television Child Nutrition	Assistance to Nation United School District  Apportionments for Public Schools K-12  Loans to School Districts. School Bus Manttenance.  Assistance to Public Libraries.  Legislive Mandates.	Totals, Department of Education Contributions to Teachers' Retirement Fund Debt Service on Public School Building Bonds. State School Building Safety Totals, Education: Higher Education:	board of Colleges: Apportionments for Community Community Colleges. Community Colleges Extended Opportunity Program	Totals, Board of Governors of the California Community Colleges Totals, Higher Education TOTALS, EDUCATION

		Actual 1977-78	77-78			Estimated 1978-79	62-8261			Estimated 1979-80	08-6261	
GENERAL GOVERNMENT General Administration:	General Fund	Special funds	Budget Total	Selected Bond funds	General Fund	Special funds	Budget Total	Selected Bond funds	General Fund	Special funds	Budget Total	Selected Bond funds
Department of Food and Agneuiture: Salaries for County Agricultural Commissioners Payment to Counties for Agricultural Programs	\$174,900	\$4,071,006	\$174,900	1 1	\$368,816	\$5,490,875	5368,816 5,490,875	1 1	\$368,816	54,090,875	\$368,816 4,090,875	
Totals, Department of Food and Agriculture	\$174,900	\$4,071,006	\$4,245,906		\$368,816	\$5,490,875	\$5,859,691	'	\$368,816	\$4,090,875	\$4,459,691	
Financial Assistance to Local Fairs	-7,117	10,475,001	10,467,884	1	-302,097	16,148,687	15,846,590	1	-18,100	8,405,611	8,387,511	'
Legariment of moustral retailous: Legislative Mandates	20,707,503	1	20,707,503	ı	22,141,937	1	22,141,937	ı	22,141,937	1	22,141,937	'
Workers Compensation Benefits: Commission on Pease Officer Standards and Train.	151,612	1	151,612	ı	182,250	1	182,250	1	200,000	1	200,000	1
Office of Criminal Justice Planning Assistance to Counties for Defense of Indigents Guardianship/Conservatorship Proceeding	2,818,412 1,753,364 2,217,000	12,422,392	12,422,392 2,818,412 1,753,364 2,217,000	1 1 1 1	5,493,132 1,775,000 2,594,965	11,152,392	11,152,392 5,493,132 1,775,000 2,594,965	1 1 1 1	3,643,521 1,775,000 2,594,965	11,652,392	11,652,392 3,643,521 1,775,000 2,594,965	
Payment to Counties for Homicide Trials	385,012	1 1	385,012	1 1	14,011	1 1	14,011	1 1	100,000	1 1	100,000	' '
Totals, General Administration	\$28,246,675	\$26,968,399	\$55,215,074		\$32,868,014	\$32,791,954	\$65,659,968		\$31,046,139	\$24,148,878	\$55,195,017	
Miscellaneous: Working Capital Advance Proposition 13 Relief for Local Governments	1 1	1 1	1 1	1 1	\$300,000	1 1	\$300,000	1 1	1 1	1 1	1 1	
Legislative Mandates	1 1	1 1	1 1	1 1	1,203,072 9,000,000	1 1	1,203,072 9,000,000	1 1	4,832,716	1 1	4.832,716	
Totals, Miscellaneous	1-	1	1	1	\$4,278,212,794	1	\$4,278,212,794	1	\$4,832,716	1	\$4,832,716	'
Tax Reluef: Senior Citizens' Property Tax Assistance Senior Citizens Property Tax Deferral Program Senior Citizens' Rethers Tax Relief Personal Property Tax Relief Homeowners' Property Tax Relief Subventions for Open Space	\$78,443,005 12,700,000 6,849,516 417,776,829 758,981,306 18,818,252	1 1 1 1 1 1	\$78,443,005 12,700,000 6,849,516 417,776,829 758,981,306 18,818,252	1 1 1 1 1 1	\$70,000,000 10,000,000 5,500,000 216,500,000 347,000,000 15,000,000	11111	\$70,000,000 10,000,000 5,500,000 216,500,000 347,000,000 15,000,000	11111	\$39,000,000 12,000,000 101,000,000 244,600,000 132,000,000 16,000,000		\$39,000,000 12,000,000 101,000,000 244,600,000 132,000,000 16,000,000	
Suoventions for Sales and Property Lax Kevenue Loss	5,529,835	1 1	5,529,835	1 1	4,885,000	1 1	4,885,000	1 1	4,454,500	1 1	4.454,500	1 1
Totals, Tax Relief	\$1,425,570,346		\$1,425,570,346		\$803,885,000	1	\$803,885,000	1	\$697,054,500	1	\$697,054,500	•
Shared Revenues. Liquor License Fees for General Government. Highway Property Rental Receipts for General Government.	1 1	\$13,949,318	\$13,949,318	1 1	1 1	\$14,200,000	\$14,200,000	1 1	1 1	\$14,000,000	\$14,000,000	f
Oil-Highway License Fees for General Govern- ment	1	386,977	386,977	1	1	200,000	200,000	1	1	200,000	200,000	1
Motor Vehicle License Fees for Counties and Citi- ies and Counties and Cities Cigarette Tax for Counties and Cities Tax Highway Carriers Uniform Business License Tax Tideland Revenue for Cities and Counties Motor Vehicle Fuel Tax for Counties Motor Vehicle Fuel Tax for Counties.	\$197,356	479,593,400 82,962,212 2,235,221 176,730,100 76,752,881	479,593,400 82,962,212 2,235,221 197,356 176,730,100 76,752,881	1 1 1 1 1 1	\$205,000	610,000,000 82,900,000 2,300,000 - 181,827,000 80,589,000	610,000,000 82,900,000 2,300,000 205,000 181,827,000 80,589,000	11111	\$205,000	650,000,000 85,500,000 2,400,000 187,917,000 82,463,000	650,000,000 85,500,000 2,400,000 205,000 187,917,000 82,463,000	
Motor Vehicle Fuel Tax for Counties and Cities Totals, Shared Revenues. TOTALS, GENERAL GOVERNMENT	\$197,356 \$1,454,014,377	\$945,357,372 \$945,357,372 \$972,325,771	\$945,554,728 \$2,426,340,148		\$205,000	\$1,092,657,205 \$1,125,449,159	\$1,092,862,205 \$6.240,619,967	1 1 1 1	\$205,000	\$1,145,226,000 \$1,169,374,878	\$1,145,431,000 \$1,145,431,000 \$1,902,513,233	
TOTALS, LOCAL ASSISTANCE TOTALS Less Local Government Fiscal Relief:	\$8,676,301,240 \$11,685,643,451	\$1,005,453,439 \$2,161,114,521	\$9,681,754,679 \$13,846,757,972	\$156,551,003	\$13,213,782,328 \$16,508,519,376	\$1,271,967,101 \$2,662,812,786	\$14.485,749,429 \$19.171,332,162	\$168,942,698 \$426,866,886	\$9,290,132,936	\$1,274,805,612	\$15,287,900,615	\$157,703,499
Chapter 292, Statutes of 1978 Chapter 332, Statutes of 1978			1 - 1		- \$4.217,409,722 - 50,300,000	i I	-\$4,217,409,722 -\$0,300,000	-				1
NET 101ALS, EXPENDITURES. State Operations Capital Outlay. Local Assixtnice	\$11,685,643,451 2,953,024,692 56,317,519 8,676,301,240	\$2,161,114,521 \$04,679,852 350,981,230 1,005,451,439	\$13,846,757,972 3,757,704,544 407,208,749 9,681,74,679	\$156,551,003 .1.668.087 65.609,052 87.271.864	\$12,240,809,654 1.106.418,866 188,318,182 8,946,072.606	\$2,662,812,786 \$96,384,004 494,461,681 1,271,967,101	\$14,903,622,440 4,002,802,870 682,779,863 10.218.039,707	\$426,866,886 \$,754,336 252,169,852 168,942,698	\$12,710,076,559 3,279,454,593 200,489,030 9,290,132,936	\$2,577,824,056 1,037,238,291 265,780,153 1,274,805.612	\$15,287,900,615 4,256,692,884 466,269,183 10,564,938,548	\$100,486,500 5,100,138 26,182,663 137,703,499

Schedule 4 SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1977, 1978, 1979, AND 1980

Balance available June 30, 1980 \$443,010,673 111,009,848 730,000,000	1 1 1 1 1		301,989	136,368	2,313,678 33,939,734 179,175	243,560	15,140 3,302,240 89,217 772,955 - 324,950 483,471
Translers between funds -	- - - (+7,361.661)	(-25,222,786) (-6,700,000) (-781,740) (-899,534) (-16,313,951) (-38,351,000)	1	166,791	167,000+	1	
Estimated expenditures 1979-80		(+25,222,786) (+6,781,740) (+781,740) (+885,534) (+16,312,951) (+38,551,080)	1	600'699'11	353,936 1,262,056 709,520 2,550,256	1,125,000	1,420,859 2,041,910 10,508 2,433,96 1,013,819 2,400,000 1,300,000 641,603
Esimated income 1979–80 \$15,995,261,332	- - - (+7,361,601)		ı	17,696,277	14,200,000 390,611 5,407,000	1,100,000	661,403 2,522,449 120,000 2,480,157 1,045,943 2,400,000 1,300,000 637,000
Balance available June 30, 1979 \$2,225,566,474 (217,692,794	1 1 1 1 1 1	1111111	301,989	1,075,891	1,700,823 21,001,790 318,909 -2,677,569	768,560	774,596 2,821,701 13,725 726,194 222,826 483,407 117,588
Transfers between funds -	(+4,555,000) (+,500,000) (+,135,000) (+,6,148,118) (+,9,661,280)	(-24,23,63,6) (-8,94,35,6) (-161,69,6) (-1,63,23,4) (-1,701,33) (-1,701,33)	ı	-218,057	+218,057	(-135,000)	
Estimated expenditures 1978–79	1 ( 1 ( 1 (	(+24,53,636) (+8,964,536) (+161,696) (+163,244) (+6,500,000) (+17,011,581) (+38,351,090)	1,783,754	19,071,589	504,788 1,256,586 879,404 16,334,279	1,297,000	593,220 822,346 162,508 2,390,875 - 935,206 2,300,000 1,292,500 451,000
Esimated income 1978-79 S14,998,494,487	(+4.555,000) (+500,000) (+135,000) (+6,148,118) (+9,661,286)		1	17,454,782	13,650,000 400,000 5,770,810	1,248,000	155,000 1 1644,047 155,000 1,390,875 2,390,875 2,300,000 1,292,500 384,000
Balance stailable June 30, 1978 \$3,686,108,910 200,751,727 (283,445,972)	11111	11111111	301,989 {	2,910,755	1,987,455 8,608,376 798,313 -3,930,858	452,560	\$86,230 139,233 726,194 221,896 483,407
Transfers between funds -	(+1,298.834)	(-25.627.346) (-6.725.00) (-6.988.00) (-1.808.00) (-1.81.899) (-18.124.34)	1	'	1 1 1 1	'	(-175,048)
Actual expenditures 1977–78 \$11,685,643,451		(+25,627,346) (+6,73,000) (+6,908,018) (+1,500,000) (+1,123,34) (+40,887,339)	978,943	17,111,897	138,831 1,167,029 2,105,473	1,318,573	609,181 103,759 2,209,498 2,235,221 1,342,253 129,299
Actual income 1977–78 \$13,694,980,289	(+175,048) (+1,298,834)		1	17,823,328	8,747,207 115,696 1,073,016	1,669,039	796,330 - 206,840 2,512,554 - 175,048 786,591 1,342,253 245,221
Balance available June 30, 1977 \$1,877,523,799			3,064,686	2,199,324	1,987,554 - 1,849,646 8,918,357	102,094	399,081 - 36,152 433,138 175,048 73,510 474,392 68,666
Find GENERAL FUND	Trancks from Other Funds Bagles Conservation Fund Callier Park Preservation Fund Property Acquistion Law Moneys San Francisco Martine Stare Historice Park Account Driver Training Penalty Assessment Fund. Sane Instructional Materials Fund	Transfers to Other Funds Assembly Contragent Fund Bagley Convension Fund Bagley Convension Fund Contingent Funds of the Assembly and Senate Fash and Game Preservation Fund Generic Disaset Assing Fund Natural Disaset Assistance Fund, Public Facilities Account Senate Contingent Fund Senate Contingent Fund	SPECIAL FUNDS General Fund Special Accounts Hostel Facility Use Fees	State Energy Resources Conservation and Development Spe- cial Account	Energy Resources Conservation and Development Commission Reserve Account Energency Teleptone Number Account Attorney General Anti-trust Account Park and Recreation Revolving Account	Property Acquisition Law Moneys	Motor Vehicle Parking Facilities Moneys. State Motor Vehicle Insurance Account. Handicap Compliance Review Special Account. Fingerprint Fees. San Francisco Mantime State Histone Park Account. Hazardous Warst Control Account. Highway Carrers Uniform Business License Tax Account. Subsequent liquires Moneys. Standardbred Sires Stakes Fund.
					B-16		

Schedule 4
SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1977, 1978, 1979, and 1980—Continued

	Balance	Actual	Actual	Translers	Balance	Estimated	Estimated	Franslers	Balance	Estimated	Estimated	Transfers	Balance
Fund	June 30, 1977	1977-78	1977-78	funds	June 30 1978	1978-79	1978-79	funds	June 30, 1979	1979-80	1979-80	spuny	June 30, 1980
SPECIAL FUNDS State Transportation Fund:													
Aeronautics Account	7,150,379	-465,932	6,155,324	+4,478,650	5,007,733	- 313,000	6,709,991	+4,752,000 {	2,694,782	~ 20,000	6,532.320 {	+5.039,000 {	1.159.462
State Highway Account	315,242,455	37,665,794	478,994,796	+459,387,901   -5,535,700	347,765,654	71.480,000	642,896,996	+475,975,000 +4,675,390 +10,000,000	261,912.659	74,550,000	648,851,400	+490,836,000 +100,000.000 -5,853,300	272,593,959
Motor Vehicle Account	38,702.354	3,002,580	360,001,978	+ 20,000,000 + 397,529,000 - 20,000,000	59,231,956	2,975,000	383,518,904	-5,086,389 +420,500,000 -10,000,000	67,688,052	4,480,000	389,286,439	+450,000,000   -100,000,000   -1 500,000	6,381,613
Bicycle Lane Account and Research Account	837,973 40,203,246	81,720 2,596,488	985,609	+ 360,000 - 3,000,000 }	294,084 29,267,154	80,000	730,000	+360,000 +42,000 }	4.084	55,000	415,000	+360,000 +22,000 +5,851,100	4.084 6,197,582
Abandoned Railroad Account	3,773,898	302,082	83,859	+3,000,000	6,992,121	450,000	3,039,285	-	4,402,836	240,000	356,746	00000000	4,286,090
Motor Vehicle Fuel Account	10,363,144	853,109,934	11,080,849	-827,133,145 -4,478,650 -3,353,000 -9,352,198	8.075.236	888,300,000	10,631,664	-856,581,000 -4,752,000 -3,353,000 -13,590,000	7,467,572	915,700,000	10,570,827	-882.922,000 -5.039,000 -3.353,000 -9.080,000	12.202,745
Highways Properties Rental Account	2,291,930 70,835 53,949,562	2,383,460 -1,589 540,160,731	22,529 498,298,179 366,230,244	-11,368,567 +827,133,145 -459,387,901 -36,000	4,675,390 46,717 84,443,547	00010011609	629,869,445	-4.675,390 -13,375,000 +856,581,000 -475,975,000 -360,000	- 117,04 50,599,102	000,000,000	- 670,469,535 390,826,000	-16.750,000 +882,922,000 -490,836,000 -900,000	46.717 54.079,567
Motor Vehicle Account	21,475,949	397,925,440	7,276	-397,529,000 +11,368,567	33,233,680	411,165,000	26.665	-420,500,000 +13,375,000	37,247,015	433,690,000	1	-450.000.000 +16.750.000	37,687,015
Acoholic Beverage Control Fund	9,318,570 9,998,336	14,088,610 81,803,565	13,949,318 82,962,212		9,457,862 8,839,689	13,950,000	14,200,000 82,900,000	1 1	9.207,862	13,950,000	14.000,000	1 1	9,157,862
Abadoned Vehicle Trust Fund. Acupuneturists Fund	2,369,755 76,583 10,973,554	135,188 66,398 16,918,334	1,157,902 73,915 18,867,641	+3,353,000	1,347.041 69,066 7,773,984 1,400,000	209,230 20.198,853	2,847,041 87,305 23,328,112	+1,500,000	190,991 9,480,375 3,120,613	75,495	113,468 22,858,414	+1,300,000	1,500,000 153,018 10,671,835 *3,032,334
Arr Pollution Control Fund Annual Health Technicians Exam Committee Fund Architecture Polits Building Fund, School Building Fungam Architecture Public Building Fund Hexard Building Program	303,081 -2,699 1,165,833	1,634,542 56,908 2,122.843	45,096 36,642 2,530,545	1.1.1	1.892,527 17,567 758,131	339,701 42,835 2,391,137	631,501 49,563 2,369,940	t t i	1,600,727 10,839 779,328	197,150 88,475 2,629,939	1,122,497 54,063 2,491,786	1 1 1	675,380 45,251 917,481
gram Assembly Contingert Fund	1,951,095	1,130,799	1,288,445 24,389,835 24,389,835	(+25,627,346)	1,793,449	1,187,339	1,751,646 24,744,696 }	(+24,523,636)	1,229,142	1.246.705	1.839,228 26.854,206 26.854,206 277,7286	(+25.222.786)	150,000
Contingent Funds of the Assembly and Senate	33,932,664	1	13,932,146	(+6,968.018) }	3.068.113 }	1	24,121,929	(+8.964.536) }	3,910,720 }	1	16,645,423	(+6.700.000)	1.865,720
Automotive Repair Fund	2,031,861 36,156,441	4,633,407	3,643,812 7,456,839 }	(+6,725,000) }	3,021,456	2,857,131	3,812,905	(-4,555,000)	2,065,682 486,381	2,857.131	4,014,808	1 1	908.005
Bagley Conservation Fund, State Park Highway Account	362.566	1	1,317,301	+1,155,000 {	265,707,202	•	1.100.000	+ 900.000	265	•	000'006	+ 900,000	265

SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1977, 1978, 1979, and 1980—Continued Schedule 4

Balance available June 30, 1980 1,438,058 1,313,336 206,558 20,015,430	287,853 89,486 1,013,125	21,410 22,450 1,003,821 1,000,000 106,056 13,092,091 3,275,000	7,100.240	139,487 926 287,948	2,777,999 16,907,170 29,932	4,386 284,936 20,168,331	112,584 1,298,951 296,126 82,916 125,554	851,330 148,509 639,136 20,477 10,478,235 2,371,545 880,342 665,777 448,809 1,069,686
Transfers between funds	1 1 1 1	_ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _	(+7E1,740) (+889,534)	1 1 1	1 1 1	- + 9,080,000	1 1 1 1 1	
Estmated expenditures 1979-80 4422.544 8,421,579 1,941,679 25,111,400	31,360,380 338,098 328,843 4,320,123	411,181 310,015 9,595,000 1,620,400 -	31,621,302 - 781,740 889,534	- 889,534 } 54,019 102,483 2,308,892	2,500,000	186,043 500,000 2,129,760	209,607 14,102,449 84,715 56,813 49,946	1,109,469 168,736 531,825 71,162 8,17,331 1,390,623 1,243,804 2,243,804 2,243 344,020 621,221 36,336
Estimated income 1979-80 4.237,000 8.611,900 1.937,000 26,920,997	41,317,851 454,461 398,834 7,000,000	- 400,000 537,841 9,595,000 902,000 8,450,000 - 7,361,661 10,131,770	31,690,228	1,000 90,934 2,060,000	482,524 1,186,972 1,900	35,150 510,100 1,690,000	232,800 13,632,043 258,540 36,300 60,000	1,212,650 55,000 977,245 977,245 12,588,246 754,401 1,630,045 34,767 336,550 31,850
Balance available June 30, 1979 1,153,602 1,123,015 211,237 18,205,833	34,214,275 171,490 19,495 -1,666,752	21,410 33,631 775,995 1,000,000 824,456 12,003,752 1,3,275,000	6,249,574	192,506 12,475 536,840	4,795,475 16,720,198 34,960	155,279 274,836 11,528,091	89,391 1,769,357 1,22,301 103,429 115,500	748,169 262,245 243,716 11,189 6,017,430 3,047,767 1,502,087 34,851
Tanslers between funds	(000'005 -)		(+161,696) (+1,623,244)	1 1 1	(000'005'9+)	- +13,590,000	11111	
Estmated expenditures 1978-79 4,441,521 7,571,936 1,830,658 25,611,400	71,958,728 315,584 323,295 15,481,123	222,827 299,951 8,978,600 1,620,400 	31,034,870 -161,696 1,623,244	-1,623,244 } 103,156 98,200 446,797	3,225,084 -6,500,000 2,500,000 21,842	136,098 500,000 20,176,316	198,624 13,555,924 66,553 50,159 49,072	1,043,966 392,956 512,706 149,599 7,432,30 1,168,935 448,738 807,039 81,036
Estimated income 1972-79 4,318,420 6,927,700 1,763,000 27,022,823	52,038,467 421,770 333,215 7,000,000 {	- 500,000 520,000 528,203 8,978,600 1,617,354 7,650,000 -6,348,118 -11,804,591	30,440,037	162,435 87,175 414,400	764,94g 1,310,124 20,380	260,100 495,150 1,780,000	204,600 13,632,043 79,885 36,300 60,000	1,644,813 9,000 182,918 162,000 5,200,315 5,335,865 1,403,894 157,832 351,530 34,300
Balance available June 30, 1978 1,746,703 1,767,251 278,895 16,294,410 1500000	36,530,273 36,530,273 17,604,263 65,304 9,575 1,349,666 {	5,994,705 21,410 36,438 347,743 1,000,000 827,502 10,701,870 822,213 4	6,682,711	133,227 23,500 569,237	755,611 17,910,074 36,422	31,277 279,686 7,729,304	83,415 1,693,238 108,969 117,288	147322 561,201 573,504 - 1,212 8,23,365 1,111,74 569063 569063 373,216 373,216 373,216 376,233 81,587
Transfers between funds -	1 1 + 1	(-1,298,834)	(+1,500,0001 + 183,899)	1 1 1	1 1 4	- +9,352,198	1 1 1 1 1	
Actual expenditutes 1977-78 4,249,061 6,307,238 1,096,747 22,492,806	292,447 200,151 5,365,765	389,242 283,218 8,°90,624 - - 12,036,143	29,626,774 -1,500,000 183,899	-183,899 { 92,196 88,852 30,412	587,519 - 3,644,676 16,935	171,493 386,977 2,984,211	154,842 14,880,318 47,820 40,069 47,622	1015,806 318,706 513,506 142,198 7,245,798 1,152,117 441,814 281,893 797,694
Actual income 1977–78 5,008,479 5,472,823 804,826 26,598,790	61,344,465 297,131 275,792 7,002,934	-27,596 425,700 555,846 9,989,454 827,502 5,524,747 -1,298,834	27,799,136	18,967 81,417 574,439	83,372 1,524,220 24,388	41,852 455,119 1,622,788	191,586 13,368,340 129,649 43,594 60,884	655,915 717,388 138,518 14,699,779 776,943 1,488,420 15,194 15,194 129,728
Balance available June 30, 1977 987,285 2,601,666 570,816 12,688,426	103,853,886 60,620 -66,066 5,677,202	49,006 275,115 -798,830 6,475,957 3,608,145	7,010,349	206,456 30,935 25,210	1,259,758 12,741,178 28,969	160,918 211,544 8,343,632	46,671 3,205,216 27,140 113,763 91,310	507.213 162,925 349,622 -17,532 789,6184 1,689,623 -67,240 801,779 934,199 94,199
Fund Banking Fund Californa Environmental Protection Program Fund Californa Health Facilities Commission Fund California Water Fund	Capital Outlay Fund for Public Higher Education  Chropractic Examiners Fund Collection Agency Fund Collection Agency Fund Collection Agency Fund	Construction Inspectors Registration Board Fund. Community College Credentials Fund Bureau of Employment Agenics Fund Department of Employment Development Contingent Fund Developmental Disabilities Program Development Driver Training Penalty Assessment Fund Fair and Exposition Fund	Fish and Game Preservation Fund	Geslogy and Geophysics Fund Heaning Aid Dispensers Fund Indemnity Fund	Natural Disaster Assistance Fund- Public Facilities Account. Street and Highway Account.	Nussing Home Administrators State License Examining Board Fund Oil-Highway License Fee Fund Oil-Highway Vehicle Fund	Osteopathic Examiners Contingent Fund Peace Officers Training Fund Physician Assistants Fund Pilot Commissioners Special Fund Professional Forester Registration Fund	Professions and Vocations Funds. Accountancy Fund Board of Architectural Examiners Fund Board of Barber Examiners Fund Cornetery Fund Connetery Fund Connetery Fund Board of Coxnetiology Contingent Fund. Dentistry Fund Fundal Directors and Emplaners Fund Bureau of Home Furnshings Fund Board of Landscape Architects Fund

SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1977, 1978, 1979, and 1980—Continued Schedule 4

Actual Actual II
funds
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Includes Local Government Fiscal Relief of \$4,267,709.722 for the 1978-79 fiscal year and \$4,378,000,000 for the 1979-80 fiscal year. Bother Reserves total \$7300 million and are composed of \$1500 million for Legislation and Legislative Augmentation. \$100 omillion for Housing Development, and a Prodem Reserve of \$400 omillion, which is \$76 of the 1979-80 fiscal receives for unexumbered balance of continuing appropriations.

2 Federal Reverve for unexumbered balance of continuing appropriations.

3 Reserve for future registal outlay needs.

4 Reserve for future registal outlay needs.

5 Invested in Agreeliuse Building Fund.

Schedule 5

### STATEMENT OF CASH AND SECURITIES OF ALL FUNDS IN THE TREASURY

Totals	\$212,479,049 19,141,719 13,029 105,633,287 869,8019,032 869,8019,032 1,102,969 29,415,388 1,740 4,104,557 19,969,051 1,166,620 1,166,620 1,166,800 1,538 1,330,40 1,538 1,358,841	5,271,632 4,426,069 7,850,595 14,200,157 26,078,509 177,187 1,008,480 50,000 60,726,701 377,129,429 2,579,509 1,766,314 27,125,942 2,579,509 1,766,314	162,995 116,518,328 132,533 18,353 140,500 2,157,989 1,037,673 1,04,077 1,354,077 1,354,077
1978 Due from Surplus Money Investment Fund	\$65,839,400 19,041,000 72,550,000 8,468,500 29,935,000 29,013,000 4,104,000 10,923,000 1,162,000 4,000 54,000 54,000 1,338,000 1,348,000	5,254,000 4,410,000 5,762,300 14,175,000 25,495,000 1,006,000 1,006,000 60,724,000 372,126,000 1,765,600 27,026,000 538,000	1,262,000
June 30, 1978 DD Surp Securities	\$146,635,749 32,991,273 839,369,720 	1,300,000	
Cash	\$3,900 100,719 1,029 92,014 150,532 500,060 1,102,969 402,388 1,740 557 4,520 842 12,432 13,040 16,800 28	17,632 16,069 788,295 25,157 .883,509 1,187 2,480 50,000 2,701 9,804 2,579,509 1,233 1,233	116,518,328 116,518,338 132,533 18,353 140,500 2,157,989 1,037,673 70,283 133 231,876 1,354,077 2,424
Totals	24,542,097 12,733 104,052,361 8,597,750 639,509,933 1,118,875 30,476,055 2,020 2,397,439 38,470,291 1,173,005 4,603 26,689,099 115,340 115,340 1169,500 33,973	3,370,075 3,893,594 10,193,328 13,320,560 20,886,447 167,104 848,183 50,000 - 227,944,688 1,532,764 1,532,764 1,532,884 1,532,884 1,532,884 1,532,884 1,532,884 1,532,884 1,532,884	122,206 66,540,646 50,978 18,353 104,000 953,159 57,300 1,500,000 54,904 520,651 521,965 3,370,624 2,424
1977 Due from Surplus Money Investment Fund	24,441,000 12,000 38,658,000 38,497,500 32,795,000 2,396,000 29,339,000 1,168,000 26,464,000 26,464,000 1,21,000	3,270,000 3,844,000 9,389,500 13,287,000 20,251,000 167,000 847,000 - 208,507,000 1,552,600 1,552,600 1,552,600	520,000
June 30, 1977 June 30, 1977 D Surp In Securities	519,430,171 65,298,874 606,214,855 - - 9,127,185	19,962,196	
1000 free free free free free free free f	\$2,560 101,097 1,33 95,487 100,250 500,138 1,118,875 2,026 1,439 4,106 5,005 603 225,099 135,340 16,500 10,302	100,075 49,594 803,828 33,560 555,447 1,183 50,000 - - -524,508 1,532,764 99,068 1,041	122,206 66,540,646 50,978 18,533 104,000 953,159 57,300 1,500,000 54,904 651 521,965 3,370,624 2,424
SI ATEMENT OF Fund  Fund  NONGOVER NMENTAL COST FLINDS	Public Service Enterprise Funds California Housing Finance Fund California Water Resources Development Bond Fund Carquinez Straits Bridges Construction Fund Central Valley Water Project Construction Fund Central Valley Water Project Revenue Fund Compensation Insurance Fund Harbors and Watercraft Revolving Fund Harbors and Watercraft Revolving Fund Harbors and Watercraft Revolving Fund New Antioch Bridge Construction Fund San Diego-Coronado Bridge Construction Fund San Francisco-Oakland Bay Bridge Construction Fund San Francisco Seawall Sinking Fund No. 2 San Francisco Seawall Sinking Fund No. 3 Small Craft Harbor Improvement Fund Small Craft Harbor Improvement Fund	State University and Colleges Continuing Education Revenue Fund State University and Colleges Dormitory Building Maintenance and Equipment Reserve Fund State University and Colleges Dormitory Interest and Redemption Fund State University and Colleges Dormitory Interest and Redemption Fund State University and Colleges Facilities Revenue Fund State University and Colleges Parking Revenue Fund State University and Colleges Parking Revenue Fund State University and Colleges Parking Revenue Fund Unemployment Compensation Disability Fund Unimprogrant Compensation Disability Fund Unimprogrant Employers Fund Indemnity—Veterans Fund Veterans Farm and Home Building Fund of 1943 Vincent Thomas Bridge Construction Fund	Working Capital and Revolving Funds.  Agriculture Building Fund.  Architecture Revolving Fund Ballot Paper Revolving Fund Califormia Industries for the Blind Manufacturing Fund. Community College District Organization Revolving Fund Correctional Industries Revolving Fund County Formation Revolving Fund Emergency Revolving Fund General Obligation Bond Expense Revolving Fund Housing Predevelopment Loan Fund Mobilehome Revolving Fund Mobilehome Revolving Fund Olid Age and Survivors Insurance Revolving Fund Opportunity Work Center Revolving Fund

# STATEMENT OF CASH AND SECURITIES OF ALL FUNDS IN THE TREASURY—Continued

June 30, 1977
Due from

June 30, 1978 Due from

Totals	3,976,392 267,457 7,980 8,859,559 182,856	294,266 310,685,126	616,157 4,784,951 1,903,082 38,785,308 798,409 2,738,193 8,464	28,779,809	9,222,674	11,397,228	19,032,654 38,250,648 105,372 24,682,889 82,984,263 72,500,483	189,238 35,143,000 10,337,344,937 5,873,743,943	283,745,972 130,850 9,530,359 2,388,006 500,526 2,139 19,371 916,822
Surplus Money Investment Fund	3,945,000	1 1	1,878,000 -2,093,034,300 2,688,000	1 00 00 1	000,486,66	1	11111	185,200	283,745,000
Securities	1 1 1 1 1	1 1		1	1 1 1	ı	11111	35,004,452 10,333,720,177 5,836,280,131	
Cash	31,392 267,457 7,980 8,859,559 182,856	294,266 310,685,126	616,157 4,784,951 25,082 2,131,819,608 798,409 50,193 8,464	28,779,809	9,222,674	11,397,228	19,032,654 38,250,648 105,372 24,682,889 82,984,263 72,500,483	4,038 138,548 3,624,760 37,463,812	972 130,850 9,530,359 2,388,006 5,00,526 2,139 19,119 19,371
Fotals	3,488,876 309,469 20,934 10,818,902	256,588 271,666,780	104,530 4,013,580 2,781,443 23,865,628 653,079 4,516,800 8,526	149,702	158,140 360 10,886,417	12,201,794	503,180 37,430,235 31,791,127 98,101,058	1,721,779 3,368,258 9,130,530,479 5,112,888,559	242,117,256 760 7,876,882 326,645 6,154,893 2,139 28,161 614,196
Surplus Money Investment Fund	3,218,000	1 1	2,756,000 -1,694,880,650 -4,467,000	1 000	000,861	ı	11111	1,706,200	242,117,000
Securities	1111	1 1	1111111	l	1 1 1	l	11111	3,228,767 9,125,026,306 5,078,520,189	111111111
Cash	270,876 309,469 20,934 10,818,902	256,588 271,666,780	104,530 4,013,580 25,443 1,718,746,278 653,079 49,800 8,526	149,702	360 360 10,886,417	12,201,794	503,180 37,430,235 31,791,127 98,101,058	15,579 139,491 5,504,173 34,368,370	256 7,876,882 326,645 6,154,893 2,139 28,161 614,196
Fund	Public Building Construction Fund Public School District Organization Revolving Fund Revolving Loan Fund Service Revolving Fund Solar Energy Revolving Loan Fund	State Crean water Orants Administration Revolving Fund State Payroll Revolving Fund	ices Revolving Fund Control Fund State Water Quality Control Fund Surplus Educational Property Revolving Fund Surplus Money Investment Fund Stephen P. Teale CDC Revolving Fund Water Resources Revolving Fund Water Resources Control Board Revolving Fund	Selected Bond Funds California Safe Drinking Water Fund Haulh Science Facilities Construction Program	Public School Building Loan Fund Recreation and Fish and Wildlife Enhancement Fund	State Beach, Park, Recreational and Historical Fractilities Fund State Beach Park Recreational and Historical	Facilities Fund of 1974 State Clean Water Fund State Construction Program Fund State School Building Aid Fund State Urban, and Coastal Park Fund	Retirement Funds Judges' Retirement Fund Legislators' Retirement Fund Public Employees' Retirement Fund Teachers' Retirement Fund	Trust and Agency Funds—Federal Federal Revenue Sharing Fund California Traffic Safety Program Fund Public Health Federal Fund Social Welfare Federal Fund Unemployment Administration Fund United States Flood Control Receipts Fund. Vocational Education Federal Fund Vocational Rehabilitation Federal Fund

# STATEMENT OF CASH AND SECURITIES OF ALL FUNDS IN THE TREASURY—Continued

	Totals	195,587 27,483,283	50,000 16,983,849 103,811	101,619,477 101,619,477 10,005,000 1,702,704	4,502,862 4,737 4,764,759 50,000	702,615,279 1,068,796 3,068,544 1,100,000	225,063,752 3,756,033 1,140,401 13,427,065	1,866,051 299,711 281,685 11,632	2,147,895 278,466 2,293,679 17,302,881 219,680 498,156	\$20,341,968,839	3,854,833,648 658,672,517 602,631,309	214,087,480 144,745 210,387,646 - - 525,882,726,184
1978 Due from Surplus Money	Fund	27,474,000	16,983,300	85,000 10,005,000	4,763,900	3,019,000	80,656,300 1,133,000 13,427,000	290,000 100,000	277,500 2,293,000 16,011,000	-\$806,529,300	- 653,562,100 152,967,200	
June 30, 1978 Du Du Surpli	Securities	! 1 1	I I I	101,533,755	1 1 1 1	1 1 1 1	37,213	814,589	792,119	\$17,343,930,519	1 1 1	7,501,935,576 1,104,929,000 \$25,950,795,095
	Cash	195,587 9,283	50,000 549 103,811	12,483,728 485,028 722 286,308	4,502,862 4,737 859 50,000	702,615,279 1,068,796 49,544	144,370,239 144,370,239 3,756,033 7,401 65	419 1,051,462 9,711 181,685 11,632	2,147,895 966 679 499,762 219,680 498,156	\$3,804,567,620	3,854,833,648 5,110,417 449,664,109	214,087,480 144,745 210,387,646 -7,501,935,576 -1,104,929,000 -568,068,911 <sup>2</sup>
	Totals	323 115,212 25,226,327	10,608,519	20,865 63,117,745 10,154,383 1,895,297 2,389,386	112,206	1,396,597,757	174,759.293 112,954 1,139,307 22,512,604	360 2,629,975 215,910 303,015 89,013	1,456,586 1,761 147 10,993,695 270,075	\$18,245,566,493	1,798,489,083 493,577,984 586,866,687	127,540,219 3,654,348 221,656,863 - - - - - - - - - - - - - - - - - - -
7, 1977  Surplus Money  Locations	Fund	25,216,000	10,608,300	67,750 10,154,000	1,182,900	2,981,000	68,158,800 1,129,000 22,501,000	205,000	1,500	-\$590,061,600	472,414,100 117,647,500	
June 30, 1977 Surp	Securities	111	1 1 1	63,049,273	1111	1 1 1	39,977	1,784,084	840,224	\$14,994,054,550	111	5,855,738,581 622,679,000 \$21,472,472,131
	Cash	323 115,212 10,327		20,865 220,865 722 362,848	112,206	1,396,597,757	106,560,516 112,954 10,307 11,604	360 845,891 10,910 203,015 89,013	1,456,586 261 147 497,471 270,075	\$3,841,573,543	1,798,489,083 21,163,884 469,219,187	127,540,219 3,654,348 221,656,863 -5,855,738,581 -622,679,000 \$4,879,546¹
	Fund	Trust and Agency Funds—Other California Bicentennial Celebration Fund California Public Broadcasting Fund Classified School Employees Fund	Community College Instructional Improvement Fund Condemnation Deposits Fund Educational Facilities Authority Fund	Health Care Deposit Fund Houstrial Relations Unpaid Wage Fund Deferred Compensation Plan Fund Housing Rehabilitation Insurance Fund Inmates Welfare Fund State In Creation I can Ginstantes Fund	Small Business Expansion Fund Interstate Collection Incentive Fund Litigation Deposit Fund Immunization Adverse Reaction Fund	Local Agency Investment Fund Farmworker Housing Grant Fund Pollution Control Financing Authority Fund Comit Description Description	Spirial Business Loan Reserve Lund Spirial Business Loan Reserve Lund State Child Nutrition Fund State University and Colleges Special Projects Fund State University and Colleges Trust Fund	State Fair Contingent Fund State Employees Contingency Reserve Fund State Guaranteed Loan Reserve Fund State Park Contingent Fund State Properties Rental Fund	State School Site Utilization Fund Timber Tax Fund Timber Tax Reserve Fund Unclaimed Property Unemployment Fund Urban Housing Development Loan Fund	TOTALS, NONGOVERNMENTAL COST FUNDS	GOVERNMENTAL COST FUNDS General Fund Transportation Funds Other Special Funds	OTHER BALANCES Agency Bank Accounts Uncleared Collections Outstanding Warrants Pooled Money Investment Account Time Deposits in Banks TOTALS

<sup>&</sup>lt;sup>1</sup> Balance per bank's books on June 30, 1977 was \$113,150,642. <sup>2</sup> Balance per bank's books on June 30, 1978 was \$40,866,861.

## COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID GRANTED TO THE STATE OF CALIFORNIA FOR THE FISCAL YEARS 1977–78, 1978–79, AND 1979–80

State Operations LEGISLATIVE/JUDICIAL/EXECUTIVE			
Executive:	Actual 1977-78	Estimated 1978-79	Estimated 1979-80
Secretary for Business and Transportation		\$250,702	\$100,000
Southwest Border Regional Commission		138,180	25,000
Office of Planning and Research		1,177,032	145,180 750,000
Office of Emergency Services		2,122,724	2,091,914
Lieutenant Governor		19,597	2,091,914
Department of Justice		2,811,140	2,117,734
Totals, Executive	\$3,557,101	\$6,519,375	
TOTALS, LEGISLATIVE/JUDICIAL/EXECUTIVE		\$6,519,375	\$5,229,828 \$5,229,828
STATE AND CONSUMER SERVICES			
State Fire Marshal		\$12,500	\$5,000
Department of General Services		100,000	100,000
Intergovernmental Personnel Act Advisory Council		673,800	680,306
State Personnel Board	368,673	107,558	24,488
Department of Veterans Affairs:  Veterans' Home of California	5 000 200	5.0(0.075	5.110.075
		5,069,075	5,110,863
TOTALS, STATE AND CONSUMER SERVICES	\$6,176,525	\$5,962,933	\$5,920,657
BUSINESS AND TRANSPORTATION Business:			
Department of Economic and Business Development		\$172,509	\$161,297
Department of Housing and Community Development	301,281	372,946	301,271
Totals, Business	\$396,881	\$545,455	\$462,568
Transportation: Department of Transportation: Transportation Planning Program	\$340,842	\$125,000	
Mass Transportation Program	237,059	923,105	- \$1,691,090
Highway Transportation		10,155,000	\$1,681,980 56,500,000
General Support		10,155,000	36,300,000
Totals, Department of Transportation		\$11,203,105	\$50 101 000
			\$58,181,980
Office of Traffic Safety		\$1,660,804	\$1,720,840
Department of California Highway Patrol	1,650,468	537,693	1,470,489
Department of Motor Vehicles	398,600	869,852	343,178
Traffic Adjudication Board		387,482	1,000,534
Totals, Transportation	\$14,924,715	\$14,658,936	\$62,717,021
TOTALS, BUSINESS AND TRANSPORTATION	\$15,321,596	\$15,204,391	\$63,179,589
RESOURCES			
California Conservation Corps	-	\$5,834,100	\$6,015,981
State Energy Resources Conservation and Development Commission		4,707,090	5,346,892
Solid Waste Management Board		2,715,118	2,219,500
Air Resources Board		1,855,307	1,597,506
Department of Conservation		728,272 2,857,344	572,298
State Lands Division		103,884	1,882,125 75,000
Department of Fish and Game		7,809,770	8,394,881
Wildlife Conservation Board	80,770	-,007,770	0,574,001
Department of Boating and Waterways	516,759	250,000	250,000
California Coastal Commission		2,575,829	3,050,000
Department of Parks and Recreation		1,691,592	1,781,715
San Francisco Bay Conservation and Development Commission		526,905	310,000
Department of Water Resources	4,488,785	3,184,400	3,389,300
State Water Resources Control Board	9,510,221	11,853,223	11,207,862
TOTALS, RESOURCES	\$31,826,652	\$46,692,834	\$46,093,060

## COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID GRANTED TO THE STATE OF CALIFORNIA FOR THE FISCAL YEARS 1977–78, 1978–79, AND 1979–80—Continued

HEALTH AND WELFARE	Actual 1977-78	Estimated 1978-79	Estimated 1979–80
State Council on Developmental Disabilities	_	_	\$2,296,014
Office of Statewide Health Planning and Development	-	\$2,687,669	2,716,707
Department of Aging	\$49,249,851	77,445,296	90,864,943
Department of Alcohol and Drug Abuse  Department of Health:	1,245,034	2,759,470	2,403,465
General Activities	71,868,405	-	-
Special Projects	37,445,214		
Totals, Department of Health	\$109,313,619	-	-
Department of Health Services	-	\$86,835,450	\$103,839,144
General Activities	_ 0	764,195	764.195
Department of Mental Health			
General Activities	_	1.450,769	1,110,536
Employment Development Department		1,675,977,344	1,606,252.557
Department of Rehabilitation		90,723,094	95,738,175
Department of Social Services		56,921,281	52,679,189
Department of Corrections		108,777	91,777
Department of the Youth Authority		546,932	532,809
TOTALS, HEALTH AND WELFARE	\$2,023,016,900	\$1,996,220,277	\$1,959,289,511
EDUCATION			
Education—K thru 12:			
Department of Education:		*** ***	#25 302 500
General Activities		\$27,560,878	\$27,382,580
Division of Libraries		854,141	898,930
Totals, Department of Education	\$26,556,008	\$28,415,019	\$28,281,510
Advisory Council on Vocational Education		\$167,642	\$177,085
Commission for Teacher Preparation and Licensing		410,000	170,000
Totals, Education—K thru 12	\$27,322,510	\$28,992,661	\$28,628,595
Higher Education:			
Postsecondary Education Commission	\$1,056,615	\$1,692,963	\$1,679,021
University of California	973,957,247	992,073,591	1,011,275,591
Hastings College of Law	938,212	897,170	897,170
California State University and Colleges		77,210,850	83,993,128
California Maritime Academy	672,689	507,152	517,679
Student Aid Commission	10,040,343	10,266,372	12,399,900
Totals, Higher Education	\$1,061,722,949	\$1,082,648,098	\$1,110,762,489
TOTALS, EDUCATION	\$1,089,045,459	\$1,111,640,759	\$1,139,391,084
GENERAL GOVERNMENT			
General Administration:	# C 0 7 0 0 0	£2 (00 110	f2 514 20C
Department of Food and Agriculture	\$687.809	\$2,609,119	\$2,514,206
Department of Industrial Relations		13,764,729 642,589	13,190,409 1,156,400
Military Department		126,030,155	128,351,853
Public Utilities Commission.		60,544	135,218
Office of Criminal Justice Planning		16.110.696	11.606.123
Administration and Payment of Tort Liability Claims		-	-
Totals, General Administration	\$148,030,686	\$159,217,832	\$156,954,209
Miscellaneous:			
Legislative Claims	\$22,289	\$36,515	
TOTALS, GENERAL GOVERNMENT		\$159,254,347	\$156,954,209
TOTALS, STATE OPERATIONS	\$3,316.997,208	\$3,341,494,916	\$3,376,057,938

## COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID GRANTED TO THE STATE OF CALIFORNIA FOR THE FISCAL YEARS 1977–78, 1978–79, AND 1979–80— Continued

Capital Outlay STATE AND CONSUMER AND SERVICES	Actual 1977-78	Estimated 1978–79	Estimated 1979–80
Department of General Services		\$5,282,774	Latimated 1979-80
BUSINESS AND TRANSPORTATION			
Transportation:			
Department of Transportation: Highway Transportation	. \$311,949,377	\$489,028,196	\$343,655,000
RESOURCES			
State Lands Division		<del>.</del>	-
Department of Fish and Game		\$2,640,400	_
Department of Parks and Recreation	. 2,704,121	5,570,028	\$590,000
Division of Exposition and State Fair		2,450,325	-
TOTALS, RESOURCES		\$10,660,753	\$590,000
HEALTH AND WELFARE			
Department of Health	. \$363,432		_
Department of Developmental Services		\$2,750,371 76,118	-
Employment Development Department	. 308,887	2,375,616	-\$456,035
Department of Rehabilitation Department of Social Services	. 17,511	274,700 77,688	211,395
Department of Corrections	. 1,170,812	3,920,503	_
Department of the Youth Authority		818,482	
TOTALS, HEALTH AND WELFARE	\$6,780,460	\$10,293,478	- \$244,640
EDUCATION Higher Education:			
University of California		\$17,244,000	\$3,174,000
Hastings College of Law		3,832,526	-
California Maritime Academy	. 1,928,929	2,293,858 405,400	-
Board of Governors of the California Community Colleges	. 509,000	<u> </u>	
Totals, Higher Education		\$23,775,784	\$3,174,000
TOTALS, EDUCATION	. \$19,047,599	\$23,775,784	\$3,174,000
GENERAL GOVERNMENT General Administration:			
Military Department	. \$9,385,965	\$13,345,140	\$1,989,000
TOTALS, CAPITAL OUTLAY	\$352,554,265	\$552,386,125	\$349,163,360
Local Assistance LEGISLATIVE/JUDICIAL/EXECUTIVE			
Executive: Office of Planning and Research	\$3,343,346	\$2,586,500	\$2,500,000
Office of Emergency Services	. 38,913,329	22,625,734	22,499,694
Totals, Executive		\$25,212,234	\$24,999,694
TOTALS, LEGISLATIVE/JUDICIAL/EXECUTIVE	\$42,256,675	\$25,212,234	\$24,999,694
STATE AND CONSUMER SERVICES Intergovernmental Personnel Act Advisory Council	\$804,252	\$889,200	\$883,694
	9804,232	J887,200	\$00J,U74
BUSINESS AND TRANSPORTATION Business:			
Department of Economic and Business Development		\$2,571,732	\$2,571,732
Department of Housing and Community Development		4,812,159	4,696,750
Totals, Business	\$1,683,711	\$7,383,891	\$7,268,482
Department of Transportation:	05.37/ 310	E 200 000	CE 472 432
Transportation Planning Program		\$5,300,000	\$5,472,432
Highway Transportation	150,289,912	176,802,145	260,245,000
Totals, Department of Transportation		\$182,102,145 9,592,600	\$265,717,432 10,551,860
Totals, Transportation		\$191,694,745	\$276,269,292
TOTALS, BUSINESS AND TRANSPORTATION		\$199,078,636	\$283,537,774
		2.77010100	02001001111T

## COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID GRANTED TO THE STATE OF CALIFORNIA FOR THE FISCAL YEARS 1977–78, 1978–79, AND 1979–80—Continued

1977–78, 1978–79, AN	D 1979–80— <i>Col</i>	ntinued	
RESOURCES	Actual 1977-78	Estimated 1978-79	Estimated 1979-80
California Coastal Commission	\$330,000 9,780,194	\$3,165,021 22,739,847	\$1,345,000 19,397,550
Totals, Resources	\$10,110,194	\$25,904,868	\$20,742,550
HEALTH AND WELFARE Department of Alcohol and Drug Abuse: Alcoholism Program	\$4,530,819	\$5,175,557	\$4,958,096
Narcotics and Drug Abuse Program	-	14,882,156	16,319,326
Totals, Department of Alcohol and Drug Abuse	\$4,530,819 \$1,575,432,375	\$20,057,713	\$21,277,422
Medical Assistance Program Price and Provider Rate Increase	-	\$1,494,535,352	\$1,642,926,271
Public Health Services for Local Agencies Crippled Children Services	_	22,941,386 4,704,700	47,265,722 16,771,617 4,704,700
Totals, Department of Health Services		\$1,522,181,438	\$1,711,668,310
Department of Developmental Services: Developmental Disabilities Program		\$735,093	_
Department of Social Services: AFDC Grants		5000 001 000	000(004.200
Special Adult Programs	\$893,580,622	\$898,081,000	\$996,894,200 35,000
Special Social Service Programs	_	297,629,964	322,302,904
Special Programs	47,561,139	5,468,415	212 (27 252
Totals, Department of Social Services		192,769,900	213,637,353
TOTALS, HEALTH AND WELFARE		\$1,393,949,279	\$1,532,869,457
TOTALS, TEALTH AND WELFARE	\$2,704,960,505	\$2,936,923,523	\$3,265,815,189
EDUCATION Education—K thru 12: Department of Education:			
Educationally Deprived Children Educationally Disadvantaged Youth Program	\$164,785,689	\$200,039,103	\$215,122,833
Migrant Education	31.373.377	36,645,181	39,276,894
Educational Improvement for the Handicapped	10.007.030	52,478,777	77,927,000
Development Centers for the Handicapped Vocational Education	43,967,139	1,073,000 51,213,127	1,073,000 55,355,751
Child Development	457,000	457,000	457,000
Instructional Support—Federal	26.054.491	36,882,926	37,224,517
Child Nutrition	255,399,791 3,612,850	247,941,586	282,939,516 4,442,547
Totals, Department of Education		4,211,362	\$713,819,058
Totals. Education—K thru 12		\$630,942,062	
TOTALS, EDUCATION	\$544,747,367	\$630,942,062	\$713,819,058
GENERAL GOVERNMENT General Administration:		\$630,942,062	\$713,819,058
Financial Assistance to Local Fairs Office of Criminal Justice Planning	-	\$120,000	
Totals Gaparal Administration	\$48,952,156	48,220,692	\$31,801,857
Totals, General Administration	\$48,952,156	\$48,340,692	\$31,801,857
Federal Receipts From Flood Control Lands	\$253,545	\$254,000	\$254,000
rederal Receipts From Forest Reserves	47 865 080	50,000,000	53,000,000
Federal Receipts From Grazing Land Federal Potash Lease Rentals for General Government	175.739 1,740,617	200,000 1,800,000	225,000 1,900,000
Totals. Shared Revenues		\$52,254,000	\$55,379,000
TOTALS, GENERAL GOVERNMENT	\$98,988,037	\$100,594,692	\$87,180,857
TOTALS, LOCAL ASSISTANCE	\$3,569,520,646	\$3,919,545,215	\$4,396,978,816
TOTAL	57,320,073,110		
	\$7,239,072,119	\$7,813,426,256	\$8,122,200,114

## Schedule 7 SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1979–80

	Propose General Fund	Proposed Budget Act of 1979 Find Seevial finds	1979 Total	Constitution an General Fund	Constitution and Statutory Authorizations <sup>1</sup>		Appropriation Budget and State Concern Fund	Appropriation authorizations other than Budget Act Items or Constitution and Stationy Authorizations Trans.	other stitution ns 1 Total	Total governmental	Total including selected
STATE OPERATIONS					count must		October 1 miles	aprenan ramos	Total	cost tuttos	משוות ותוותא
LEGISLATIVE/JUDICIAL/EXECUTIVE											
Legislative: Tegislature	213 111 232	1	254 111 537		64 510 153	53 510 153	001 0973		001 0775	950 400 079	950 400 030
(Statutory authorization)	3,265,000	, ,	3.265.000	(53.265.000)		(3.265.000)	907:0006	1 1	007'0006	3.265.000	37,498,978
	6,433,692	1	6,433,692	-	1		ř	1	1	6.433,692	6.433.692
Law Revision Commission	309,714	1	309,714	1	•	1	4	1	1	309,714	309,714
Commission on Uniform State Laws	39,395	1	39,395	1	1	1	1	1	1	39,395	39,395
Contributions to Legislators' Retirement Fund	1	1	1	623,820	1	623,820	1	1	1	623,820	623,820
Totals, Legislative	\$64,359,338	1	\$64,359,338	\$623,820	\$4.519,153	\$5,142,973	\$668,288		\$668,288	\$70,170,599	\$70,170,599
Judicial:				Control		(postopato)					
Judicial	\$22,365,960	\$39,029	\$22,404,989	,	1	1	1	1	1	\$22,404,989	\$22,404,989
Contributions to Judges' Retirement Fund National Center for State Courts	405,083	1 1	405,083	\$330,625	1 1	\$330,625	1 1	1 1	1 1	735,708	735,708
	\$22 785 043	\$19 029	\$22 824 072	\$330.62\$	1	\$690003				533 154 697	623 154 607
Executive:			4 (0) 4 (4)	00000		700000	ı	•	1	223,134,077	1.0,+01,046
Governor	\$3,190,000	1	53,190,000	1	ı	4	1	1	1	53,190,000	\$3,190,000
Secretary for State and Consumer Services	390,220	1	390,220		1	1	ı	1	1	390,220	390.220
Secretary for Business and Transportation	128,030	5616,326	744.356	1	ı	1	1	1	1	744,356	744,356
Secretary for Health and Welfare	1,284,242	1	1,284,242	1	1	1	\$874,471	1	5874,471	2,158,713	2,158,713
Secretary for Kesources	889,282	1	889,282	ı	1	1	1	ı	1	889,282	889,282
Southwest Rorder Regional Commission:	134,830	1	134,836	ı	I	1	ı	4	1	134,836	134,836
(Federal Authorization)	1	(145 180)	(145 180)	1	1		1				
Office of Employee Relations	616,681	(parter)	616.681				1	1 1	1 1	616.681	616.681
Office of Planning and Research	2,351,211	1	2,351,211	1	1	1	1	1	,	2,351,211	2.351.211
Office of Emergency Services	2,320,308	1	2,320,308	1	ì	1	1	1	1	2,320,308	2,320,308
Lieutenant Governor	869,487	1	869,487	ı	1	ı	ı	1	1	869,487	869,487
Description of the Californias	75,254	1 00000	75,254	ı	1	1	1	ı	1	75,254	75,254
State Controller	40,272,014	10,302,019	10,7/1,633	1	1	1	ı	ł	1	76,577,633	76,577,633
(Others)	007'446'97	1,003,194	30,132,434		1	ı	1	ı	1	30,152,454	30,152,454
Board of Fouglization	\$0.800.929	1,691,004	\$4.494.235	ı	ı	ı	ı	ı	ı	544 404 335	216 404 43
(Others)	- 10,000,000	(691.963)	(991.963)		1 1	1	1 1	1 1	1 -	CC7'+6+'+C	24,494.233
Secretary of State	8,810,036		8,810,036	1	1	1	1	1	1	8,810,036	8.810.036
State Treasurer	2,423,666	1	2,423,666	ı	1	1	1	1	1	2,423,666	2,423,666
Totals, Executive	\$169,109,056	\$16,214,845 (1,427,467)	\$185,323,901 (1,427,467)		1	1	\$874,471	1	5874.471	\$186,198,372	\$186,198,372
TOTALS, LEGISLATIVE/JUDICIAL/EXECUTIVE	\$256,253,437	\$16,253,874 (1,427,467)	\$272,507,311 (1,427,467)	\$954,445	\$4,519,153	\$5,473,598	\$1,542,759		\$1,542,759	\$279,523,668	\$279,523,668

Schedule 7 SUMMARY OF PROPOSED EXPENDITURES BY METHGD OF APPROPRIATION FOR THE FISCAL YEAR 1979-80—Continued

Total mcluding selected bond funds <sup>c</sup>	\$2,662,996 36,435,474	2,659,099 68,437,662 13,005,220	19,626,727 - 93,123	15,004,710	511,436,691 228,675 4,422,54 6,350,597 5,474,220 8,266,637 7,516,975 9,691,588	557,293,946
Total governmental t cost funds <sup>3</sup>	\$2,662,996 36,435,474	2,659,099 68,437,662 13,005,220	19,626,727	15,004,710	\$11,436,691 228,675 4,422,544 6,350,597 5,474,220 8,266,637 7,516,904 9,691,568	\$57,293,946
orizations other ns or Constitution tthorizations 1 unds Total	1 1 1	1 1 1 1	1 1 1 1 1	1 1 1 1 1	340,000 50,000 50,000 7 - 1,876,904	- 51,786,904
Appropriation authorizations other than Budget Act Irems or Constitution and Statutory, Authorizations I General Fund Special lunds Total	1 1 1		1111		\$40,000 50,000 	-51,786,904
	000'09\$	3,900,277	1 1 1 1 1	53,960,277	1111111111	1 1
Constitution and Statutory Authorizations reral Fund Special funds	\$60,000	3,900,277	1111	\$3,960,277		
Constitution a General Fund	1 1	1 1 1 1 1	1 1 1 1 1			
f 1979 Total	\$2,662,996	(8,921,078) 2,659,099 68,437,662 9,104,943 (163,066,843)	(680,306) 19,626,727 (1,478,670) 93,123 (15,232,194)	, <u>2</u> 2		\$,782,943 \$59,080,850 (27,500)
Proposed Budget Act of 1979 Fund Special funds	534,980,420	(6,951,078) - 2,662,533 (163,066,843)	(680,306) (1,478,670) (15,232,194)	(7,678,994) (424,714) (195,512,799)	\$4,422,544	5,782,943 \$19,897,055
Proposed Budget Act General Fund Special funds	\$2,662,996 1,395,054	2,659,099 68,437,662 6,442,410	19,626,727	- 15,004,710 - \$116,321,781	\$11,416,691 228,675 (27,500) 6,350,597 5,444,220 8,216,637 7,516,975	- \$39,183,795 (27,500)
	STATE AND CONSUMER SERVICES  Museum of Science and Industry  Department of Consumer Affairs.	(Others) State Fire Marchal Franchise Tax Board Department of General Services.	(Unter) Intergovernmental Personnel Act Advisory Council (Federal Authorization) State Personnel Board (Oher) (Oher) (Oher) (Oher)	Collect) Department of Veterans Affairs  Others)  TOTALS, STATE AND CONSUMER SERVICES	BUSINESS AND TRANSPORTATION Business Department of Alcoholic Beverage Control Alcoholic Beverage Control Appeals Board Banking Department (Deficiencies) Department of Corporations Department of Economic and Business Development Department of Housing and Community Development Department of Insurance Rot and Cyril Disorders Insurance Department of Extra Insurance	Department of Savings and Loan Totals, Business
	STATE AND CONSUMER SERV Museum of Science and Industry Department of Consumer Affairs	State Fire Marshal Franchise Tax Board Department of General Services	Others) Intergencer Author Federal Author State Personnel E (Others) Public Employee	State Teacher's State Teacher's State Teacher's Colhers)	BUSINESS AND TR Business. Business. Department of A Alcoholic Bevera Banking Departr (Deficiency Conference of Con	Department of Totals, Busic

# Schedule 7 SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1979–80—Continued

		Propose General Fund	Proposed Budget Act of 1979 Fund Special funds	1979 Fotal	Constitution a General Fund	Constitution and Statutory Authorizations <sup>1</sup> nearl Fund Special funds Total		Appropriation authoriza than Budget Act Items or and Statutory Author General Fund Special funds	Appropriation authorizations other than Budget Act Items or Constitution and Statutory Authorizations eral Fund Special funds	s other nstitution ons Total	Total governmental i cost funds 3	Total including selected bond funds <sup>c</sup>
	Transportation: State Transportation Commission Department of Transportation (Constitutional Authorization) (Statutory Authorization) (Transfer)	\$4,500,000	\$703,685 413,329,365 53,000 30,000 (10,740,671)	\$703,685 417,829,365 53,000 30,000 (10,740,671)	(-1-1-1	\$156,746 (53,000) (30,000)	\$156,746 (53,000) (30,000)	1 1 1 1	\$3,477,953 	53,477,953 53,000	\$703,685 421,464.064 53,000 30,000	\$703,685 421,464,064 53,000 30,000
	Office of Traffic Salety (Federal Authorization) Department of California Highway Parrol (Deficiencies)	1 1 1	(1,720,840) 228,900,813 (1,000,000)	(1,720,840) 228,900,813 (1,000,000)	1 1 1	1 1 1	1 1 1	1 1 1	1 1 1	1 1 1	228,900,813	228,900,813
	(Advance Authorization) Department of Motor Vehicles (Defices) (Others)	144,086	(2,500,000) 150,736,623 (500,000) (1,791,937)	(2,500.000) 150,880,709 (500,000) (1,791,937)	1 1 1 1	1 1 1 1	1 1 1 1	1 1 1 1	1 1 1 1	1 1 1 1	150,880,709	150.880,709
	Neptien F. Teale Consolidated Data Center (Others)	\$4.644,086	(16,275,275) \$793,753,486 (14,538,733)	(16,275,275) \$798,397,572		\$156,746	\$156,746	1 1 1 1	\$3,477,953	\$3,477,953	\$802,032,271	\$802,032,271
	TOTALS, BUSINESS AND TRANSPORTATION	\$43,827,881 (27,500)	\$813,650,541 (34,528,723)	\$857,478,422 (34,556,223)		\$156,746 (83,000)	\$156,746 (83,000)	-81,786,904	\$3,477,953	\$1,691,049	\$859,326,217	5859,326,217
B-2	RESOURCES Special Resources Programs Environmental Protection Program California Conservation Corps State Energy Resources Conservation and Development Commission Solid Waste Management Board.	\$410,519 - 16,046,616 - 1,301,457	\$927,150 	\$410,519 927,150 16,046,616 17,479,096 18,759,508	f 1 1 1 1	1 1 1 1 1	1 1 1 1 1	\$600,000	\$353,936	353,936	\$1,010,519 927,150 16,046,616 17,833,032 18,759,508	\$1,010,519 927,150 16,046,616 17,833,032 18,759,508
29	Air Resources Board Colorado River Board Department of Forestry (Others)	(9,900,000) 3,165.661 137,548 7,749,762 87,678,494	32,144,858 931,072 168,608 (14,410)	(9,900,000) 35,310,519 137,548 8,680,834 87,847,102 (14,410)	1 : 1 : 4 (	1 1 1 1 1 1					35,310,519 137,548 8,680,834 88,002,102	35,310,519 137,548 8,680,834 88,002,102
	State Lands Division  State Lands Division  Sessions Safety Commission  Department of Fish and Game Wildlife Conservation board.  Department of Boating and Waterways.  Californs Coastal Commission	5,26,460 193,126 4,725,409 230,782 5,085,105	28.695,610 293,963 (2.030,134)	5,266,460 193,126 33,421,019 293,963 230,782 (2,030,134) 5,085,105			1 1 1 1 1 1	111111	- 706,740 	- 706,740 	5,266,460 193,126 32,714,279 293,963 230,782	5.266,460 193,126 32,714,279 293,963 230,782 5.085,105
	California Coastal Conservancy  (Bonds) Department of Parks and Recreation (Others) Division of Exposition and State Fair San Francisco Bay Conservation and Development Commission	52,588,937 7,174.726 635,496	538,110 2,606,739 (246,780)	538,110 55,195,676 (246,780) 7,174,726 635,496	: 1 1 1 1 1	\$900,000 265,000	\$900,000	4 1 1 1 1 1	1 1 1 1 1 1	1 1 1 1 1 1	56,095,676 7,439,726 635,496	58,095,676 56,095,676 7,439,726 635,496

SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1979-80—Continued Schedule 7

		Propose	Proposed Budget Act of 1979	. 6261	Constitution an	Constitution and Statutory Authorizations		Appropriati	Appropriation authorizations other than Budget Act Items or Constitution and Statutory Authorizations 1		_	Total including selected
	Department of Water Resources	General Fund Special funds 19,723,500	Special funds	<i>Iotal</i> 19,723,500	General Fund	Special funds	Iotal C	General Fund Special funds	pecial funds	10tal -	19,723,500	19,723,500
	(Deficiencies)	(21,300)	1 1	(21,300)	1 1	1 1	1 1	1 1	1 1	1 1	9.698.683	9,698,683
	(Bonds)	2,070,070,7	1 1	C0010/01/	1	4,562,028	4,562,028	1	i	1	1	4,562,028
	TOTALS, RESOURCES.	\$221,812,281 (9,921,300)	\$101,243,257 (2,291,324)	\$323,055,538 (12,212,624)	:	\$5,727,028	\$5,727,028	\$755,000	-5352,804	\$402,196	\$324,084,624	\$329,184,762
	HEALTH AND WELFARE State Council on Developmental Disabilities (Federal Authorization)	ı	(2,296,014)	(2,296,014)	1	1	1	ı	ı	ı	1	,
	Health and Welfare Agency Consolidated Data Center (Others)	1	(6.599.621)	(6 599 621)	1	ı	ı	ı	1	ı	1	ı
	Office of Statewide Health Planning and Development	\$1,086,331		\$1,086,331	1	\$1,839,228	\$1,839,228	\$106,915	1	\$106,915	\$3,032,474	\$3,032,474
	Department of Aging	1,039,886	1 1	1,039,886	1 1	1 1	1 1	393,565	\$50,000	393,565	1,526,886	1,526,886 5,454,006
	Governor's Advisory Committee on Child Care	77,414	1	77,444	å	1	1	1	1	1	77,444	77,444
	Department of Health Services	61,778,035	\$311,545	62,089,580	ı	1,013,819	1,013,819	1,301,936	t	1,301,936	64,405,335	64,405,335
	(Federal Authorization)	1 000 100 0	(60,412,676)	(60,412,676)	ı	1	I	1	ı	1	ם מניננים	13 538 087
	Department of Developmental Services	9,323,299	1 1	9,323,299	<b>4</b> 1	1 1	1 1	1 1	1 1		51,155,078	9,323,299
	Employment Development Department	21,952,725	4,047,728	26,000,453	1	2,138,717	2,138,717	ı	1	1	28,139,170	28,139,170
	(Others)		(28,774,124)	(28,774,124)	1	1	1	1	1	1	1	1
	Department of Rehabilitation	14,329,801	ı	14,329,801	1	1	ı	1 - 1	1 1	1 1	14,329,801	14,329,801
	California Health Facilities Commission		1,941,679	1,941,679	1 1	1 1		1 1			1,941,679	1,941,679
	Department of Corrections	264,445,873		264,445,873	ı	1	1	ı	I	ı	264,445,873	264,445,873
В	(Others)	100 000	(27,152,741)	(27,152,741)	ı	1	ı	1	ı	٠.	280 545 6	4 747 085
-30	Community Release Board Department of the Youth Authority	4,742,083	1 1	118,439,941	1 1	1 1	1 1	1 1	1 1		118,439,941	118,439,941
	TOTALS, HEALTH AND WELFARE	\$587,890,026	\$6,300,952 (125,235,176)	\$594,190,978 (125,235,176)	1	\$4,991,764	\$4,991,764	\$2,239,416	\$50,000	\$2,289,416	\$601,472,158	\$601,472,158
	EDUCATION											
	Department of Education	\$48,719,220	1	\$48,719,220	\$251,860	ı	\$251,860	\$630,500	ı	\$630,500	\$49,601,580	\$49,601,580
	(Others)	00000+0	(29.245.001)	(29,245,001)	(000,040)	1 1	(000,040)	1 1	1 1		00000	0.0000
	Advisory Council on Vocational Education  Commission for Teacher Preparation and Licensing	88,241	3,314,614	88,241 3,314,614	1 1	1 1	1 1	1 1	1 1	1 1	88,241	88,241 3,314,614
	Totals, Education—K through 12	\$49,647,511	\$3,314,614 (29,245,001)	\$52,962,125 (29,245,001)	\$251,860 (840,050)		\$251,860 (840,050)	\$630,500	1	\$630,500	\$53,844,485	\$53,844,485

# Schedule 7 SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1979-80—Continued

	ď	D. A. S.	020		3	-	Appropriat	Appropriation authorizations other than Budget Act Items or Constitution			Total
	General Fund	Froposed Budget Act on 1979 General Fund Special funds T	otal	Constitution a. General Fund	constitution and Statutory Authorizations reral Fund Special funds Tota		General Fund	and Statutory Authorizations Fund Special funds	Total	governmental m	metuding selected bond funds
Higher Education:											
Postsecondary Education Commission	\$1,664,935	1 000 0019	\$1,664,935	1	1	1	1	1	1	\$1.664,935	\$1,664,935
University of California	4 521 173	000,0014	4 521 173	1	1	1		ı	ı	797,246,631	797.246,631
California State University and Colleges	714,280,222	1	714,280,222	. 1		1 1	1 1		1 1	714.280.222	714.280.222
California Maritime Academy	2,341,156	1	2,341,156	1	1	1	1	1	1	2,341,156	2,341,156
Board of Governors of the California Community Colleges	2,800,874	411,181	3,212,055	1	1	1	1	1	1	3,212,055	3.212,055
Others)		(637,393)	(637,393)	1 1	1 1	1 1	5616,970	1 1	5616,970	78,388,781	78,388,781
Totals, Higher Education	\$1,600,526,802	\$511,181 (637,393)	\$1,601,037,983 (637,393)		   <b>1</b> 		\$616,970	1	\$616,970	\$1,601,654,953	\$1,601,654.953
TOTALS, EDUCATION	\$1,650,174.313	11	\$1,654,000,108	\$251,860		\$251,860	\$1,247,470		\$1,247,470	\$1,655,499,438	\$1,655,499,438
Cruirbat Courbanyent		(465,288,42)	(74,882,394)	(840,030)		(840,050)					
General Governmen											
Celleral Aurilli Marting				211 211 13		200					
Pali Follifical Defense Aut of 1074	700 111 13	1	700 711 13	\$1,415,435	1	\$1,415,435	ı	1	1	51,415,435	51,415,435
Apricultural Labor Relations Roard	25,134,090	1	2,134.096	1	ı	1	1	ı	1	3,134,096	3,134,096
Public Employment Relations Board	5.084.171		5.084.171	1	1		1	1	1	1,60,000,000	000,000,
Department of Finance	9,989,855	' '	9 989 855	1	1 1		1 1	1 1	1 1	0,004,171	0 080 855
California Fiscal Information System	3,748,976	1	3,748,976	1	1	,	1	1	1	3.748.976	3.748.976
Department of Food and Agriculture	23,257,816	\$17,758,166	41,015,982	1	\$1,500,000	1,500,000	ı	1	1	42,515,982	42,515,982
Department of Industrial Relations	56,766,656	,	56,766,656	1			1	1	1	56,766,656	56,766,656
Workers' Compensation Benefits	3,327,000	1	3,327,000	1	1,300,000	1,300,000	1	1	1	4,627,000	4,627,000
	176,591	1	176,591	1	•	1	1	1	1	16,591	176,591
Colifornia Arts Connail	78,964	1	78,964	1	1	1	1	1	1	78,964	78,964
	10,191,031	1	/0,16/,01	ı	1	1	1	ı	1	/50,167,01	/50,167,01
(Others)	196'666	(114114)	793,967	1	I	I	1	1	ı	196'666	196'565
Commission for Economic Develonment	119 420	(+co'110)	119,420	1 1	1 1	1 1	• 1	• 1	, ,	119 420	319 420
Military Department	9 630 281	1	0.610.281							186 019 0	186 05 9 0
Public Utilities Commission	14 446 161	8 886 172	21 112 135						' '	311 (11 16	311 (11 16
Commission on the Status of Women	260,713	- I	260.713	1	1	1	. 1	. 1		260.713	260.713
Native American Heritage Commission	157,327	,	157,327	ı		1	1	1	1	157.327	157.327
Horse Racing Board		970,532	970,532	1	641.603	641,603	1	1	1	1,612,135	1,612,135
Board of Chicagonia Examiners	1	209,607	209,607	1	1	1	1	1	ł	209,607	209,607
Doard of Chiropractic Examiners	1	338,098	3.18,098	1	1	1	1	1	1	338,098	338,098

Schedule 7
SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1979-80—Continued

								Appropriat	Appropriation authorizations other than Budget Act Items or Constitution	s other nstitution	Total	Total
		Propose General Fund	Proposed Budget Act of 1979  Fund Special funds	1979 Total	Constitution at General Fund	Constitution and Statutory Authorizations   Peral Fund Special funds Total	_ ~	and State General Fund	and Statutory Authorizations Fund Special funds	ons <sup>t</sup> Total	governmental n	meluding selected bond funds c
	Board of Pilot Commissioners Commission on Peace Oliter Standards and Traming Office of Cremon I little Pharmach	1781 266	56,813 2,450,057	56,813 2,450,057 1,781,266	1 1 1	<b>t</b> 1 1	6 I I	1 1 1	1 1 1	1 1 1	56,813 2,450,057 1,781,266	56,813 2,450,057 1,781,266
	(Federal Authorization) State Public Defender Administration and Payment of Tort Liability Claims	5,727,343	(9,814,457)	(9,814,457) 5,727,343 500,000	1 1 1	1 1 1	1 1 1	1 1 1	1 1 1	1 1 4	5,727,343	5,727,343
	State Board of Control Indemnification of Pryrate Citizens State Bar of California	529,662 5,462,245 30,000	2,308,892	529,662 7,771,137 30,000	1 1 1	1 1 1	1 1 1	1 1 1	1 1 1	1 1 1	529,662 7,771,137 30,000	30,000 30,000
	Totals, General Administration	\$163,452,069	\$32,978,337 (10,426,091)	\$196,430,406 (10,426,091)	\$1,415,435	\$3,441,603	\$4,857,038		1		\$201,287,444	\$201,287,444
	Debt Service:  Bond Interest and Redemption:	ł	1	1	\$210,385,746	ı	\$210,385,746	I	1	ı	\$210,385,746	\$210,385,746
	Mixetantour Working Capital Advance Health Benefits for Amuntanis	\$27,079,900	1 1	\$27,079,900	I F	1 1	1 1	-\$6,250	1 1	-56,250	6,250 27,079,900	6,250 27,079,900
	Totals, Miscellaneous	\$27,079,900		\$27,079,900			1	-\$6,250	1	-56,250	\$27,073,650	\$27,073,650
	Unallocated	1,708,000	1,500,000	1,708,000	1-1	1 1	1 1	l t	1 1	1 1	1,708,000	1,708,000
	(Uhers) Augmentation for Price Increases (Others)	7,500,000	(1,500,000) 2,971,000 (2,354,000)	(2,500,000) (1,500,000) 10,471,000 (2,354,000)	t 1 1 1	1 1 3 1	1144	1 1 1 1	1111	1 1 1 1	10,471,000	10,471,000
В-3		\$10,708,000 (2,500,000)	\$4,471,000 (3,854,000)	\$15,179,000 (6,354,000)	: 1		1				\$15,179,000	\$15,179,000
32	Federal Revenue Sharing.	1	(\$276,200,000)	(\$276,200,000)	1	'	1	1	1		1	
	TOTALS, GENERAL GOVERNMENT	\$201,239,969 (2,500,000)	\$37,449,337 (290,480,091)	\$238,689,306 (292,980,081)	\$211,801,181	53,441,603	\$215,242,784	- \$6,250		- \$6,250	\$453,925,840	\$453,925,840
	Miscellaneous, Credits to the General Fund for Overhead Charges to Special Funds	1 1	I 1	1 1	1 1	1 1	1 1	-\$50,064,072 -25,000,000	1 4	-\$50,064,072	-\$50,064,072 -25,000,000	-\$50,064,072 -25,000,000
	Totals, Miscellaneous	1					1	-\$75,064,072	-	-\$75,064,072	-\$75,064,072	-\$75,064,072
	TOTALS, STATE OPERATIONS	\$3,077,519,688 (12,448,800)	\$1,016,366,709 (679,357,974)	\$4,093,886,397 (691,806,774)	\$213,007,486 (4,105,050)	\$22,796,571 (83,000)	\$235,804,057 (4,188,050)	-871,072,581	\$3,175,149	- \$67,897,432	\$4,256,692,884	\$4,261,793,022

# Schedule 7 SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1979-80—Continued

Total meluding selected bond funds <sup>e</sup>	\$7,900.423	\$72,074 \$72,074 \$7,972,497	\$63.800 20.000 38.205.622	15,000 189,450 \$38,493,872	\$177,700,000 3,208,146 4,102,750 \$185,010,896
Total governmental v cost funds 3	\$7,900,423	\$72,074 \$72,074 \$7,972,497	\$63.800 20.000 38,205,622	15,000 189,450 \$38,493,872	\$177,000,000 3,208,146 4,102,750 \$185,010,896 \$185,010,896
ons other onstitution ntions 1 Fotal	\$7,900,423	\$7,900,423	1 1 1	1 1	
Appropriation authorizations other than Budget Act Items or Constitution and Stautiony Authorizations <sup>1</sup> General Fund Special funds	- \$7,900,423	\$7,900,423		1 1	
Appro than Buc and General Func	1		1.1.1		1.1.1.1.1
thorizations <sup>1</sup> Total					
Constitution and Scatutor, Authorizations teral Fund Special lands Fota	1 1		4 1 1		
Constitution & General Fund	t I		1-1-1	1 1 1	
1979 Teat	. PLS C93	\$72,074 \$72,074 \$72.074	\$63.800 20.000 38.205.622 (183.077)	15,000 189,450 538,493,872 (142,803,920)	\$177,700,000 3,208,146 4,102.750 \$185,010,896 \$185,010,896
Proposed Budget Act of 1979 General Fund Special funds T			\$850,000 (183,077)	\$850.000	\$177,700,000 3,208,146 4,102,750 \$185,010,896
Propos General Fund	- 562 574	9,500 \$72.074 \$72.074	\$63,800 20,000 37,355,622	15,000 189,450 \$37,643,872 (142,620,843)	111111
CAPITAL OUTLAY	LEGISLATIVE/JUDICIAL/EXECUTIVE Legislative: Legislative: Exettive: Department of Justice.	Board of Equalization  Totals, Executive  TOTALS, LEGISLATIVE/JUDICIAL/EXECUTIVE	STATE AND CONSUMER SERVICES Muscum of Science and Industry Franchise Tax Board Department of Goneral Services	State Personnel Board Department of Veterans Affairs Department of Veterans Affairs TOTALS. STATE AND CONSUMER SERVICES.	BUSINESS AND TRANSPORTATION Transportation Department of Transportation Department of California Highway Partol Department of Motor Vehicles Totals, Transportation TOTALS, BUSINESS AND TRANSPORTATION.

SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1979-80—Continued Schedule 7

			28,658,200 865,591,568	\$965,874 43,812,490 1,568,808 3,408,555 103,196,206	\$155,205,833		15,547,000	99,000	4,814,300	\$36,413,380	\$36,466,380
\$286,700 2,742,106 4,787,800 750,000	1 1	6,712,099	28,658,200 \$44,461,905	\$965,874 43,812,490 1,568,808 3,408,555 103,196,206	\$155,205,833	\$53,000	15,547,000	99,000	4,814,300	531,360,380	\$31,413,380
1 1 1 1	t 1	3,000,000	3,000,000	- \$77,045	\$77,045	ı	1 1	1 1 1	1 1	1 1	
1 1 1 1	1 1	3,000,000	3,000,000	\$77,045	-\$77,045	1	1 1	1 1 1	1 1	1 4	1 1 1
1 1 1 1	1 1	1 1 1 1	1 1	1 1 1 1 1	1 1	ı	t i	1 1 1	1 1	1 1	
\$750,000	1 1	1 1 1 1	25,000,000	1 1 1 1 1		ı	1 1	t t t	1 1		
- - - \$750,000	Li	1 + 1 1	25,000,000	1111	1 1	ı	1 1	1 1 1	1 1	1 1	
1 1 1 1	1 1	1 1 1 1		†     1 8		ı	1 1	1 1 1	1 1		1 1
\$286,700 2,742,106 4,787,800	1,847,000 (419,500)	6,712,099 16,282,663 525,000	3,658,200	\$965,874 43,812,490 1,568,808 3,485,600	\$155,282,878	\$53,000	15,547,000 5,053,000	(3,174,000) 99,000 10,769,400	130,680	\$36,413,380	\$36,466,380
54,787,800	1,847,000 (419,500)	6,712,099	\$29,629,562	53,485,600	53,485,600	1	\$15,547,000 5,053,000	(3,174,000) 99,000 10,769,400	130,680 4,814,300	\$36,413,380	\$36,413,380
\$286,700 2,742,106	v 1		3,658,200	\$965,874 43,812,490 1,568,808	2,253,900	\$53,000	1 1	1 1 1	1 1	!	\$53,000
Astron. Corps. Salva. S	Waterways:		Acources and state of the state	ices Ital Services Department		ugh 12:	ifornia	rization of Law Inversity and Colleges	me Academy	Education	TOTALS, EDUCATION
RESOURCES California Conserva Department of Fore Department of Fish Wildlife Conservation	Department of Boar (Bonds) (Others)	California Coastal ( (Bonds) Department of Park (Bonds)	Department of Wal TOTALS, RESOURC	HEALTH AND WE Department of Hea Department of Dev Department of Mer Employment Devel	Department of the Department of the TOTALS, HEALTH	EDI	Higher Education: University of Cal (Bonds)	Federal Autho Hastings College California State U	California Mariti Board of Govern	Totals, Higher	TOTALS, EDUCATI
	onservation Corps of Forestry 2,742,106	of Forestry of Forestry of Forestry of Fish and Game vervation Board. of Boating and Waterways.  1,847,000	9. See, 700	S286,700   S2750,000   S750,000   S750,000	Corp.	S286,700   S286,700	Configuration of Concentration Brand   Concentration   C	The minute of the control of the con	Californic Conversion Curp   2,286,700	Calcinate Conversation Curp   2286,700   2586,700   2	RESOLUTION of Factors   Continues Comparison of Early

# Schedule 7 SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1979-80--Continued

Total meluding selected bond funds <sup>c</sup>	\$10,000 1,763,500 167,300	\$1,940,800	1,770,000	\$3,710,800	\$492,451,846			\$2,718,815	4,440,000	641 343 710	941,243,110		\$3,500,000 135,000	1,844,712	\$5,479,712	\$46,723,422	\$25,000	O Planet	5,114,840	\$7,020,100
Total governmental cost funds <sup>3</sup>	\$10,000	\$1,940,800	1,770,000	\$3,710,800	\$466,269,183			\$2,718,815	4,440,000	641 342 710	01/545/10		\$3,500,000	1,844,712	\$5,479,712	\$46,723,422	\$25,000	007101011	5,114,840	\$7,020,100
ons other onstitution tions 1	1 1 1		\$1,000,000	\$1,000,000	\$11,823,378			1 1	1 1	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1		1 - }	1	1		1	ı	1 } 1	
Appropriation authorizations other than Budget Act Items or Constitution and Statutory Authorizations real Fund Special funds	1 1 1		1		\$10,823,378			1.1	1 1		ı		1 1	1	1		1		1 1 1	1
Appropri than Budge and Sta General Fund	1 + 1	'	81,000,000	\$1,000,000	81,000,000			1 1	1 1		ı		1 1	1	1		1		1 1 1	
orizations <sup>1</sup> Total			1	1	\$25,750,000			1 1	\$4,309,121	54 300 131	17,007,121		\$3,500,000	1	\$3,500,000	\$7.809,121	1 1		1 1 1	
Constitution and Starticery Authorizations <sup>4</sup> teenl Fund Special funds Total		'	1	1	\$25,750,000			5 1	1 1	The same of the sa	ı		53,500,000	1	\$3,500,000	\$3,500,000	1.2		1 1	
Constitution a General Fund	1 1 1		1	1				1 1	\$4,309,121	6.4 300 121	71.00.16		1 1	1	1	54,309,121	1 - 3		1 1 3	1
1979 Total	\$10,000 1,763,500 167,300	\$1.940,800	770,000	\$2,710,800	\$454,878,468 (3,776,577)			\$2,718,815	5.276.311	085 110 713	(2 500 000)	(22,499,694)	135,000	1,844,712	\$1,979,712 (24,999,694)	\$38,914,301 (24,999,694)	\$25,000	(00) (00)	5,114,840	\$7,020,100 (883,694)
Proposed Budget Act of 1979 Pund Special funds T	1.1.1	1	1		\$255,389,438 (3,776,577)			7 1	1 1		(2 500 000)	(22,499,694)	1 1	*	(24,999,694)	(24,999,694)	\$1.040.260	(404199)	(Material)	\$1,040,260 (883,694)
Proposed Budget Act General Fund Special funds	\$10,000 1,763,500 167,300	\$1,940,800	170,000	\$2,710,800	\$199,489,030			\$2,718,815	4,440,000	616 614 589	000000000000000000000000000000000000000		\$135,000	1,844,712	\$1,979,712	\$38,914,301	\$25,000		5,114,840	\$5,979,840
	GENERAL GOVERNMENT General Administration: Agricultural Labor Relations Board Department of Food and Agriculture Military Department	Totals, General Administration	Unallocated Capital Outlay	TOTALS, GENERAL GOVERNMENT	TOTALS, CAPITAL OUTLAY	LOCAL ASSISTANCE	LEGISLATIVE/JUDICIAL/EXECUTIVE Indicial:	Judicial Judicial Salaries of Superior Cont Judges	ndges	Totals, Indicial	Executive: Office of Planning and Research (Federal Authorization)	Office of Emergency Services (Federal Authorization)	Department of Justice	Secretary of State	Totals, Executive	TOTALS, LEGISLATIVE/JUDICIAL/EXECUTIVE	STATE AND CONSUMER SERVICES Franchise Tax Board Denarral Services	2	Public Employees Retirement System Department of Veterans Affairs	R SERVICES

SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1979-80—Continued Schedule 7

Total

Total

Appropriation authorizations other than Budget Act Items or Constitution

## SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1979-80—Continued Schedule 7

		Prnpose General Fund	Prnposed Budget Act of 1979 Fund Special funds 7	1979 Total	Constitution a General Fund	Constitution and Statutury Authorizations <sup>1</sup> eval Fund Special funds Total		Appropriation of the state of t	Appropriation authorizations other than Budget Act Items of Cinistiution and Statutory Authorizations real Fund Special funds	ns other institution ions t Traal	Total gnvernmental ii cnst funds <sup>3</sup>	Total including selected bond funds <sup>e</sup>
	EDUCATION Education—K through 12: Department of Education (Statutory Authorization) (Federal Authorization)	\$190,868,323	\$331,423	\$191,199,746 3,209,852,470	(3,209,852,470)	\$9,028,000	\$9,028,000 (3,209,852,470)	\$13,500		\$13,500	\$200,241,246 3,209,852,470	\$200,241,246 3,209,852,470
	Contributions to Teachers' Retirement Fund Debt Service on Public School Building Bonds State School Building Safety	144,300,000		144,300,000	\$32,204,793	1,500,000	-30,704,793 -300,000	1 1 1	1 * {		144,300,000 30,704,793 300,000	144,300,000 - 30,704,793 - 300,000
	Totals, Education—K through 12	\$3,545,020,793	\$331,423	\$3,545,352,216 (135,809,709)	- \$32,204,793 (3,209,852,470)	\$10,228,000	-\$21,976,793 (3,209,852,470)	\$13,500	1 1	\$13,500	\$3,523,388,923	53,523,388,923
	Higher Education: Board of Governors of the California Community Colleges	\$20,472,092 \$69,090,794	1 1	\$20,472,092 \$69,090,794	(569,090,794)	1 (	(569,090,794)	1 1	1 1	1 1	20,472,092 569,090,794	20,472,092 569,090,794
	TOTALS, EDUCATION	54,134,583,679	\$331,423 (135,809,709)	\$4,134,915,102 (135,809,709)	-\$32,204,793 (3,778,943,264)	\$10,228,000	-\$21,976,793 (3,778,943,264)	\$13,500		\$13,500	\$4,112,951,809	\$4,112,951,809
	GENERAL GOVERNMENT General Administration: Department of Food and											
	Agriculture Financial Assistance to Local Fairs	\$368,816	1 1	\$368,816	1 1	\$4,090,875 8.746.244	8,746,244	-518.100	- \$529,389	-8547,489	\$4,459,691	8,198,755
	(Statutory Authorization)	72 141 937	\$188,756	188,756	7	(188,756)	(188,756)				188,756	188,756
	Workers' Compensation Benefits Commission on Passe Officer Standards and Teatring	200,000	- 01 659 11	200,000	1 1 3		1 1	1 1	1 1	1 1	200,000	200,000
B-37	(Federal Athlorization Planning Office of Criminal Justice Planning	3,643,521	(31,801,857)	(31,801,857) 3,643,521	1 1 1	1 1 1	1 1 1	1 1 1	1 1 1	1 1 1	3,643,521	3,643,521
	Assistance to Counties for Defense of Indigents	1,775,000	1	1,775,000	1	1	1	1	I	1	1,775,000	1,775,000
	Proceedings Proceedings Proceedings Proceedings Indemnification of Private Citizens	2,594,965 100,000 240,000	1 1 (	2,594,965 100,000 240,000	1 1 1	1 1 1	1 1 1	1 1 1	1 1 1	1 1 1	2,594,965 100,000 240,000	2,594,965 100,000 240,000
	Totals, General Administration	\$31,064,239	\$11,841,148	\$42,905,387		\$12,837,119	\$12,837,119	-\$18,100	-\$529,389	- \$547,489	\$55,195,017	555,195,017
	MISCELLANEOUS Legislative Mandates	\$4,832,716	1	\$4,832,716	1	1	1	1	ı	ı	\$4,832,716	\$4,832,716
	Jan Netter (Statutory Authorization) Shared Revenues	540,600,000	1 1 1	540,600,000	(540,600,000)	\$1.145.226.000	(540,600,000)	1 1 1	1 1 1	1 1 1	136,434,300 540,600,000 1,145,431,000	540,600,000
	TOTALS, GENERAL GOVERNMENT	\$732,951,455	\$11,841,148	\$744,792,603	\$205,000 (540,600,000)	\$1,158,268,119	\$1,158,268,119 (540,788,756)	-518,100	- \$529,389	- \$547,489	\$1,902,513,233	\$1,902,513,233
	TOTALS, LOCAL ASSISTANCE	\$8.647.469,794	\$95,024,381 (233,464,364)	\$8,742,494,175 (233,464,364)	\$636,677,128 (5,116,475,306)	\$1,311,245,319 (939,107)	\$1,947,922,447 (5,117,414,413)	\$5,986,014	\$6,239,411	\$12,225,425,513	\$10,564,938,548	\$10,702,642,047
	TOTALS, EXPENDITURES	\$11,924,478,512	\$1,366,780,528	\$13,291,259,040	\$849,684,614	\$1,359,791,890	\$2,209,476,504	- \$64,086,567	\$20,237,938	- 543,848,629	\$15,287,900,615	\$15,456,886,915
	General Funds	715'824'426'11	950 512 111 1	11,924,478,512	£19,489,948	1 228 871 062	119789,648	-64,086,567	- 17 227 038	-64.086.567	12,710,076,559	12,710,076,559
	unds of Co	- (008 87+ 21)	(602,170,407)	35.065.472	ı	130,920,828	1.30,920,828	1	3,000,000	3,000,000		168,986,300
		\$11,936,927,312		\$14,220,306,755								

# COMPARATIVE STATEMENT OF EXPENDITURES BY THE BUDGET ACT AND EXPENDITURES REQUIRED BY THE CONSTITUTION OR OTHER STATUTES FOR THE FISCAL YEARS 1977–78, 1978–79, AND 1979–80

Total	(\$53,000)	89,028,000	ı	410,000	210,385,746 \$219,823,746 210,385,746 - 9,438,000 (53,000)		(\$1,075,000)	(2,190,000)	2,045,000	623,820
Estimated 1979–80 Special funds	(\$53,000)	89,028,000	1	410,000	59,438,000 - 9,438,000 (53,000)		842,733	1,631,420	2,045,000	1
General Fund	I	I	1	1	210,385,746 210,385,746 210,385,746		(\$1,075,000)	(2,190,000)	ı	623,820
Total	1 -	\$848,543,595	129,294,540	ı	187,890,691 \$1,165,728,826 187,890,691 - 977,838,135		(\$1,025,500)	(2,086,000)	1	962'665
Estimated 1978–79 Special funds	ı	\$11,096,115	1	1	11,096,115		- 1,431,850	221,060	1	ı
General Fund	1	\$837,447,480	129,294,540	1	187,890,691 \$11,154,632,711 187,890,691 966,742,020		(\$1,025,500)	(2,086,000)	1	599,796
Total	-	\$858,528,741	129,939,120	ľ	166,037,824 \$11,154,505,685 166,037,824 988,467,861		(\$957,595)	(1,952,708)	601,987	235,285
Actual 1977–78 Special funds	ı	\$9,144,741	i	1			- 1,321,271	-1,237,511	-601,987	I
General Fund	1	\$849,384,000	129,939,120	1	166,037,824 \$1,145,360,944 166,037,824 979,323,120		(\$957,595)	(1,952,708)	1	235,285
Purpose and Legal Citation AUTHORIZED BY CONSTITUTION	BUSINESS AND TRANSPORTATION Transportation: Department of Transportation: Mass Transportation Program: State Operations: Article IX of the State Constitution	Education—K through 12: Department of Education: Apportionments for Public Schools K-12: Local Assistance: Acticle IX, Section 6, of the State Constitution	Higher Education: Board of Governors of Community Colleges: Apportionments for Community Colleges: Local Assistance: Article IX, Section 6, Transfer to the State School Fund	GENERAL GOVERNMENT General Administration: Financial Assistance to Local Fairs: Local Assistance: Section 19627.2, Business and Professions Code Debt Service: Bond Interest and Redemption:	State Operations: Bond Interest and Redemption FOTALS, CONSTITUTIONAL REQUIREMENT TOTALS, State Operations Totals, Capital Outlay Totals, Local Assistance Totals, Budget Act Appropriations in Lieu of Constitutional Authorizations.	AUTHORIZED BY STATUTES LEGISLATIVE/JUDICIAL/EXECUTIVE	Scriptons: State Operations: Seriation 8901, Government Code—Salaries of the Senators. Section 9129, Government Code—Senate Contingent Expenses.	State Operations: Section 890l, Government Code—Salaries of Members of the Assembly Section 9129, Government Code—Contingent Expenses of the Assembly Joint Expenses:	State Operations:  Item 10.1, Budget Act 1967	State Operations: Section 9358, Government Code

# COMPARATIVE STATEMENT OF EXPENDITURES BY THE BUDGET ACT AND EXPENDITURES REQUIRED BY THE CONSTITUTION OR OTHER STATUTES FOR THE FISCAL YEARS 1977–78, 1978–79, AND 1979–80—Continued

Purpose and Legal Citation	General Fund	Actual 1977–78 Special funds	Total	General Fund	Estimated 1978–79 Special funds	Total	General Fund	Estimated 1979–80 Special funds	Total
Judicial: Contributions to Judges' Retirement Fund: State Operations: Section 75101, Government Code—Judges' Retire-	295,346	1	295,346	314,881	1	314,881	330,625	1	330,625
Section 75101, Government Code—Contributions to the Judges' Retirement Fund	3,788,308	1	3,788,308	4,040,160	1	4,040,160	4,309,121	ı	4,309,121
Executive: Natural Disaster Assistance: Natural Assistance: Section 8686, Government Code, Chapter 290, Statutes of 1974	ı	-3.157,157	-3,157,157	1	-774,916	-774,916	1	3,500,000	3,500,000
STATE AND CONSUMER SERVICES Department of Consumer Affairs: Chapter 883, Statutes of 1973	ı	. 27,212	27.212		000'09	000'09	I	000'09	000'09
State Operations: Section 14678. Government Code	1	181,609	181,609	I	593,220	593,220	1	570,859	570,859
Section 4454, Government Code Section 16379, Government Code	1 1 1	103,759	103,759	1 1 1	1.297,000 162,508 822,346	1,297,000 162,508 822,346	1 1 1	1,125,000 162,508 2.041,910	1,123,000 162,508 2,041,910
BUSINESS AND TRANSPORTATION Transportation: Department of Transportation: Mass Transportation Program: Carle Operations									
State Operations  Abandoned Railroad Account  Local Assistance:	ı	1	1	1	ı	1	I	156,746	156,746
Section 2342, Streets and Highways Code, Chapter 1810, Statutes of 1975  Aeronautics Program:  Local Assistance:	1	83,859	83,859	1	3,039,285	3.039,285	1	200,000	200,000
Sections 21602 and 21680–21684.5, Public Utilities Code	1	533,000	533,000	1.	1,000,000	1,000,000	1	(750,351)	(750,351)
Code Highway Transportation:	ı	4,380,988	4,380,988	1	4,150,000	4,150.000	1	4,260,000	4,260,000
Dogar Assistance Section 231, Streets and Highways Code Department of the California Highway Patrol:	I	609'586	609'586	1	730,000	730,000	1	415,000	415,000
State Operations: Section 9250.7, Vehicle Code	1	1,157,902	1,157,902	1	ı	1	1	I	ł
Capital Outlay: Section 1352, Fish and Game Code Department of Boating and Waterways:	1	676,963	676,963	1	1.428,000	1,428,000	ı	750,000	750.000
Local Assistance: Section 8352(g), Revenue and Taxation Code Department of Parks and Recreation: State Operations	1	7,173,080	7,173,080	1	9,600,000	9,600,000	1	6,600,000	6,600,000
Saction 21077(b), Streets and Highways Code Survision of Exposition and State Fair:	1	1,317,301	1,317,301	I	000'006	000'006	ı	000'006	000'006
Sate Optionions Section 1962(a) Business and Professions Code Department of Water Resources:	1	265,000	265,000	1	265,000	265,000	1	265,000	265,000
Section 1938, Water Code Section 1938, Water Code Office of Statewide Health Planning and Development:	1	21,908,767	21,908.767	ı	25,000,000	25,000.000	1	25,000,000	25,000,000
State Operations: Section 15012 Health and Safety Code Department of Health:	ı	1	ı	1	1,751,646	1,751,646	I	1,839,228	1,839,228
General Activities: State Operations: Section 15012, Health and Safety Code Section 25174, Health and Safety Code	1.1	1,288,445 638,205	1,288,445	1 1	1-1	1.1	1.1	1.1	1-1

COMPARATIVE STATEMENT OF EXPENDITURES BY THE BUDGET ACT AND EXPENDITURES REQUIRED BY THE CONSTITUTION OR OTHER STATUTES FOR THE FISCAL YEARS 1977–78, 1978–79, AND 1979–80—Continued

Total	1,013,819	1,620,400	2,138,717	(706,156,442)	648,286,500	13,681,300	(11,767,300)	2,400,000	(79,008,300)	251,860 (840,050)
Estimated 1979–80 Special funds	1,013,819	1,620,400	2,138,717	1	1	1	I	1	ı	1 1 1 1 1
General Fund	ı	ı	1 1	(706,156,442)	648,286,500	13,681,300	(11,767,300)	2,400,000	(79,008,300)	_ 251,860 _ (840,050)
Total	925,206	1,620,400	6,766,972	(734,844,300)	601,356,600	1	(5,436,200)	2,400,000	(68,067,800)	242,514 (1,852,938)
Estimated 1978–79 Special funds	925,206	1,620,400	6,766,972	ı	ı	!	l	I	l	1 111 1
E. General Fund	I	1	1.1	(734,844,300)	601,356,600	l	(5,436,200)	2,400,000	(68,067,800)	242,514
Total	1	I	6,266,249	(721,202,706)	612,143,020	8,274,980	(5,284,600)	t	(66,650,339)	(1,761,048) 190,763 - 344,241
Actual 1977–78 Special funds	ı	t	6,819 6,266,249	ı	l	1	1	1	I	
General Fund	1	1	į i	(721,202,706)	612,143,020	8,274,980	(5,284,600)	ı	(69,650,339)	(1,761,048) - 190,763 - 344,241
Purpose and Legal Citation	Department of Health Services: State Operations: Section 25174, Health and Safety Code Department of Developmental Services:	Developmental Disabilities Program: Local Assistance Section 38575, Health and Safety Code Fundowment Development Department:	State Operations: Section 1586, Unemployment Insurance Code Section 1590, Unemployment Insurance Code Department of Social Services: SSI/SSP Grants:	Local Assistance: Section 12000, Welfare and Institutions Code—School 12000 welfare and Institutions Code—Subventions for Public Assistance	Local Assistance: Section Tool, Welfare and Institutions Code— Subventions for Public Assistance	Section 15200.1 and 15200.2, Welfare and Institu- tions. Code—Child Support and Incentive Payments	Local Assistance: Sections 1259 and 12551, Welfare and Institutions Code Code Snecial Social Service Programs:	Local Assistance: Section 16151, Welfare and Institutions Code— Maternity Care————————————————————————————————————	Local Assistance: Section 11000, Division 9, Welfare and Institutions Code—County Administration	EDUCATION Education—K through 12: Department of Education: General Activities: State Operations: Section 41304(a), Education Code—Child Nutrition Section 41304(a), Education Code—Driver Training Education Code 41304(i) Driver Training Section 41312 Education Code—Special Education Code—Special Education—Cation 4180 (a), Education Code—Special Education—Cati

COMPARATIVE STATEMENT OF EXPENDITURES BY THE BUDGET ACT AND EXPENDITURES REQUIRED BY THE CONSTITUTION OR OTHER STATUTES FOR THE FISCAL YEARS 1977–78, 1978–79, AND 1979–80—Continued

Purpose and Legal Ottation	General Fund	Actual 1977–78 Special funds	Total	General Fund	Estimated 1978–79 Special funds	Total	General Fund	Estimated 1979–80 Special funds	Total
School Improvement Program: Local Assistance: Section 52045, Government Code—school improve-	ı	ı	I	ı	1	l	(115,207,000)	1	(115,207,000)
Staff Development and Resource Centers: Local Assistance: Section 4470, Education Code	l	ı	ı	ı	t	1	(945,000)	t	(945,000)
Local Assistance Section 54053 of the Education Code—Funding for Educationally Disadvantaged Youth Program:	1	I	ı	I	1	I	(124,051,882)	ı	(124,051,882)
Local Assistance: Section 17352, Education Code	(97,440,051)	ı	(97,440,051)	I	I	ı	I	1	1
Local Assistance: Section 24058, Education Code	ı	1		f	1	1	(44,065.800)	ı	(44,065,800)
Local Assistance: Section 14004.5, Education Code Textbooks and Instructional Materials:	1		ı	101,424,195	I	101,424,195	(149,404,143)	ı	(149,404,143)
Local Assistance: Section 60246, Education Code	40,887,339	-24,661,614	16,225,725	I	32,195,125	32,195,125	(38,351,080)	ı	(38,351,080)
Sections 14002 and 52200–52208 of the Education Code	1,440,485,754	1	1,440,485,754	1,624,323,223	ı	1,624,323,223	(2,737,827,565)	ı	(2,737,827,565)
Section 14039, Education Code—County Co- operative Publications	14,633	ı	14,633	ı	ı	ı	ı	*	1
Debt Service on Public School Building Bonds:	21.115,707	ı	21,115,707	19,800,000	I	19,800,000	(19,800,000)	ı	(19,800,000)
Local Assistance: Section 15903, Education Code Section 19611, Education Code Education—K through 12: State School Building Safety:	9,075,130	1,418,825	9,075,130 1,418,825	-16,602,910	- 1,319,056	-16,602,910 1,319,056	-32,204,793	1,500,000	-32,204,793 1,500,000
Local Assistance: Section 19700.74 Education Code—Chapter 500, Statutes of 1972	I	40,371	40.371	I	856,244	856,244	1	- 300,000	-300,000
Colleges: Apportionments for Community Colleges: Local Assistance: Section 14020 of the Education Code Section 20211, Education Code—Apportionments Instructional Improvement:	342,959,312 8,665	1 1	342,959,312 8,665	405,970,360	1-1	405,970,360	(567,380,794)	1-1	(567,380,794)
Local Assistance: Chapter 714, Statutes of 1977	ı	1	1	1,800,000	1	1,800,000	(1,710,000)	1	(1,710,000)
Fair Political Practices Commission: State Operations: Proposition 9 of 1974 Department of Food and Agriculture:	1,274,909	t	1,274,909	1,388,384	I	1,388,384	1,415,435	1	1,415,435
State Operations: Section 224(2), Food and Agriculture Code Section 224(1), Food and Agriculture Code Payment to Counties for Agricultural Programs	1 1	200,000	200,000	1 1	1,000,000	1,000,000	1 1	1,000,000	1,000,000
Local Assistance: Section 12112, Food and Agriculture Code Section 1239, Food and Agriculture Code Section 12844, Food and Agriculture Code Section 2443, Food and Agriculture Code Section 2443, Food and Agriculture Code	1 1 1 1	20,515 25,034 2,080,545 1,944,912	20,515 25,034 2,080,545 1,944,912	1 1 1 1	22,250 28,125 2,187,500 1,853.000	22,250 28,125 2,187,500 1,853,000	1111	22,250 28,125 2,187,500 1,853,000	22,250 28,125 2,187,500 1,853,000
Carryover section 224(3), Food and Agricul- ture Code	1	ı	1	1	1,400,000	1,400,000	ı	1	1

Schedule 8

COMPARATIVE STATEMENT OF EXPENDITURES BY THE BUDGET ACT AND EXPENDITURES REQUIRED BY THE CONSTITUTION OR OTHER STATUTES FOR THE FISCAL YEARS 1977–78, 1978–79, AND 1979–80—Continued

Total			ı		625,000	000 001	180,000	4.680.000		1	00000	000,000	1	1		1	1		(188,756)	2,061,244		1				1,300,000			200 100	041,003		000000000000000000000000000000000000000	(244,600,000)		(132,000,000)	
Estimated 1979–80 Special funds			•		625,000	000	180,000	4.680.000		1	000	000,067	1	1		1	1		(188,756)	2,061,244	1					1,300,000			207.117	041,003			1		ı	
General Fund					1		1	1		ı		I	1	1		1	•		ı	1						1				ı		000	(244,600,000)		(132,000,000)	
Total	i		1		625,000	000	180,000	4 680.000	oodood'.	410,000		1,360,022	-1	1		(186,058)	2,812,986		I	1	3 000 000	79.815				1,292,500				451,000			(216,500,000)		(347,000,000)	
Estimated 1978–79	communication of the control of the		1	ı	625,000		180,000	4 680 000	20010001	410,000	4	1,360,022	,	1		(186,058)	2,812,986		1	1	3,000,000	79.815	2.01.			1,292,500				451,000			ı		1	
General Fund					1		1	1		1		ı	ı	1		1	1		1	I		1 1				1				ı			(216,500,000)		(347,000,000)	
Total				1	625,000	6	180,000	4 400 000	opploat t	376,660		314,820	(146.282)	1,540,364		1	1		1	J	1 400 000	44.101				1,342,253				667,671			(416,776,829)		(758,981,306)	
Actual 1977–78	Sheriai rainos			ı	625,000	6 6 6	180,000	4 400 000	00010011	376,660		314,820	(146 282)	1.540,364			I		1	ı	2 400 000	44 101				1,342,253				667,671			ı		1	
General Fund				ı	1		ı	1		1		ı	1	1		1	1		ł	ı						i							(416,776,829)		(758,981,306)	
Director and Lord Civilian	General Administration:	Financial Assistance to Local Fairs:	Durings and Desfections Code Section 10614	Section 19622 (B)–(D), Business and Profes-	sions Code	Section 19626, Business and Professions Code-	Citrus Fruit Fairs	Section 170z7, business and ratioessions code	Section 19627.2. Business and Professions	Code—Transfer from Section 19614	Section 19627.3, Business and Professions	Code Doming and Design Code	— Fingineering Services	Section 19630, Business and Professions Code	Section 19630, Business and Professions Code	-Engineering Services	Section 19630, Business and Professions Code	Section 19630, Business and Professions Code	-Engineering Services	Section 19630, Business and Professions Code	Section 19630.1, Business and Professions	Section 4002 Food and Agriculture Code	Workers' Compensation Benefits:	Workers' Compensation Benefits for Subsequent	Injury: State Operations	Section 4706.5(e) Labor Code	General Administration: Horse Racing Board:	State Operations:	Section 19619(e) Business and Professions	Tay Relief.	Personal Property Tax Relief:	Local Assistance:	Section 16100, Government Code	Local Assistance:	Section 16100, Government Code—Homeowner Property Tax Exemption	
																								В	-47											

COMPARATIVE STATEMENT OF EXPENDITURES BY THE BUDGET ACT AND EXPENDITURES REQUIRED BY THE CONSTITUTION OR OTHER STATUTES FOR THE FISCAL YEARS 1977–78, 1978–79, AND 1979–80—Continued

	Total		(16,000,000)	(148,000,000)	14,000,000	2,000,000	200,000	650,000,000	85,500,000	2,400,000	205,000	000'216'281	82,463,000
Estimated 1979-80	Special funds		ı	ŧ	14,000,000	2,000,000	200,000	000'000'099	85,500,000	2,400,000	ı	187,917,000	82,463,000
7	General Fund		(16,000,000)	(148,000,000)	1	l	ı	1	I	i	205,000	l	ı
	Total		(15,000,000)	(135,000,000)	14.200,000	3,411,205	200,000	610,000,000	82,900,000	2,300,000	205,000	181,827,000	80,589,000
Estimated 1978-79	Special funds		ı	ı	14,200,000	3,411,205	200,000	610,000,000	82,900,000	2,300,000	1	181,827,000	80,589,000
T	General Fund		(15,000,000)	(135,000,000)	1	1	1	ı	ı	ı	205,000	ı	ı
	Total		(18,818,252)	(126,471,603)	13,949,318	f	386,977	479,593,400	82,962,212	2,235.221	197,356	176,730,100	76,752,881
Actual 1977-78	Special funds		1	ı	13,949,318	ı	386,977	479,593,400	82,962,212	2,235,221	1	176,730,100	76,752,881
	General Fund		(18,818,252)	(126,471,603)	1	1	1	1	1	1	197,356	1	ı
	Purpose and Legal Citation	Subventions for Open Space:  Local Assistance: Section 16100 or 16140, Government Code— Open Section 16100 of Junearies of Local Congress	Ments Tax Relief:	Local Assistance: Section 1053.5 Revenue and Taxation Code Shared Revenues:	Liquor License Fees for General Government:  Local Assistance: Section 25761 Business and Professions Code Highway Property Rental Receipts for General Government:	Local Assistance: Section 104.10, Streets and Highways Code Off-Highway License Fees for General Government:	Section 11003, and 11005, Revenue and Taxa- tion Code	Section 11003.3 and 11005, Revenue and Taxation Code Code Code and Cities:	Section 30462(c), Revenue and Taxation Code Highway Carriers Uniform Business License Tax:	Section 4306(b), Public Utilities Code	Local Assistance: Section 6817 Public Resources Code Motor Vehicle Fuel Tax for Counties:	Section 2104 Streets and Highways Code	Section 194, 2107, 2107.5, Streets and Highways Code
									В	43			

Schedule 8

COMPARATIVE STATEMENT OF EXPENDITURES BY THE BUDGET ACT AND EXPENDITURES REQUIRED BY THE CONSTITUTION OR OTHER STATUTES FOR THE FISCAL YEARS 1977-78, 1978-79, AND 1979-80--Continued

Total	120,446,000	\$1,858,731,930 20,856,283 25,750,000	1,812,125,647	(5,141,319,463)	\$2,080,265,676 231,242,029 25,750,000	1,823,273,647	(5,141,319,463)	4,025,450,855 440,519,183 8,741,664,901	\$13,207,634,939
Estimated 1979–80 Special funds	120,446,000	\$1,219,433,062 18,234,543 25,750,000	1,175,448,519	(639,107)	\$1,228,871,062 18,234,543 25,750,000	1,184,886,519	(992,107)	1,019,003,748 240,030,153 89,919,093	\$1,348,952,994 \$2,577,824,056
General Fund	1	\$639,298,868 2,621,740	636,677,128	(5,140,380,356)	\$851,394,614 213,007,486	638,387,128	(5,140,380,356)	3,006,447,107 200,489,030 8,651,745,808	\$11,858,681,945 \$12,710,076,559
Total	116,930,000	\$3,951,297,908 18,122,183 26,428,000	3,906,747,725	(1,526,998,796)	\$5,117,026,734 206,012,874 26,428,000	4,884,585,860	(1,526,998,796)	3, 796, 789, 996 656,351,863 5,333,453,847	\$9,786,595,706 \$14,903,622,440
Estimated 1978–79 Special funds	116,930,000	\$1,204,035,705 15,576,608 26,428,000	1,162,031,097	(186,058)	\$1,215,131,820 15,576,608	1,173,127,212	(186,058)	880,807,396 468,033,681 98,839,889	\$1,447,680,966 \$2,662,812,786
Estimated 1978- General Fund Special funds	1	\$2,747,262,203 2,545,575	2,744.716,628	(1,526,812,738)	\$3,901,894,914 190,336,266	3,711,458,648	(1,526,812,738)	2,915,982,600 188,318,182 5,234,613,958	\$8,338,914,740 \$12,240,809,654
Total	112,747,263	\$3,464,434,733 16,792,515	3,425,056,488	(2,219,443,319)	\$4,618,940,418 182,830,339 22,585,730	4,413,524,349	(2,219,443,319)	3,574,874,205 384,713,019 5,268,230,330	\$9,227,817,554 \$13,846,757,972
Actual 1977–78 Special funds	112,747,263	\$983,143,985	946,106,284	(146,282)	\$992,288,726 14,451,971	955,251,025	(146,282)	790,227,881 .328,395,500 .50,202,414	\$1,168,825,795 \$2,161,114,521
General Fund	1	\$2,481,290,748 2,340,544	2,478,950,204	(2,219,297,037)	\$3,626,651,692 168,378,368	3,458,273,324	(2,219,297,037)	2,784,646,324 56,317,519 5,218,027,916	\$8,058,991,759 \$11,685,643,451
Purpose and Legal Citation Motor Vehicle Fuel Tax for Countes and Cities:	Local Assistance: Section 2106, Streets and Highways Code	TOTALS, STATUTORY AUTHORIZATIONS	Totals, Local Assistance	LOTALS, BUDGET ACT AFTROFRIATIONS IN LIGHT OF STATUTORY AUTHORIZATIONS	STATUTES Totals, State Operations Totals, Caste Operations	Totals, Lephan Carlos Totals, Local Assume Totals, Budget ACT APROPRIATIONS IN TOTALS, BUDGET ACT APROPRIATIONS IN	TORY AUTHORIZATIONS  TORY AUTHORIZATIONS	BUDGEL ACT AND OTHER AUTHORIZATIONS Totals, Capital Outly. Totals, Local Assistance	TOTALS, BUDGET ACT AND OTHER AUTHORI- ZATIONS

STATEMENT OF BONDED DEBT OF THE STATE OF CALIFORNIA AS OF DECEMBER 31, 1978 GENERAL OBLIGATION BONDS Schedule 9

(This statement does not include bonds issued under authority of state instrumentalities which are not general obligations of the State of California)

Name of issue	Percent rate of interest	Maturity	Authorized	Unsold	Redemptions	Outstanding
State Construction Program Bond Act of 1955 State Construction Program Bond Act of 1958 State Construction Program Bond Act of 1962 State Construction Program Bond Act of 1964 State Construction Program Bond Act of 1964 State Construction Program Bond Act of 1966 State Education Construction Program Bond Act of 1966 State Health Science Facilities Bond Act of 1971 Community College Construction Program Bond Act of 1972 State Beach, Park, Recreational and Historical Facilities Bond Act of 1974 State Beach, Park, Recreational and Historical Facilities Bond Act of 1970 California Clean Water Bond Act of 1970 California Clean Water Bond Act of 1970 California Clean Water Bond Act of 1976 California Clean Water Bond Act of 1976 State Urban and Coastal Park Bond Law of 1976 State Urban and Coastal Park Bond Act of 1976 State Urban and Coastal Park Bond Act of 1976	3%,4 3%,6% 3%,6% 3%,6% 3%,6% 3%,6% 3%,6% 3%,6% 4%,6% 4%,6% 5%,6% 5%,6% 6%,	1959–1985 1962–1989 1962–1991 1968–1991 1976–1991 1976–1998 1974–1992 1972–1998 1972–1998 1972–1998 1972–1998 1972–1998	\$200,000,000 200,000,000 270,000,000 270,000,000 230,000,000 65,000,000 155,000,000 150,000,000 250,000,000 250,000,000 250,000,000 250,000,000 250,000,000 250,000,000 250,000,000 250,000,000 250,000,000 250,000,000 250,000,000 250,000,000 250,000,000 250,000,000 250,000,000	\$85,000,000 10,000,000 125,000,000 145,000,000 195,000,000 195,000,000	\$141,000,000 114,800,000 152,400,000 91,390,000 24,300,000 11,750,000 27,250,000 64,100,000 14,500,000 14,500,000 2,500,000 2,500,000 1,500,000 1,500,000	85,200,0 146,900,0 146,900,0 1227,600,0 138,610,0 144,150,0 132,750,0 15,500,0 188,500,0 188,500,0 122,500,0 30,000,0 83,500,0 122,500,0
PARTIALLY SELF-LIQUIDATING BONDS '						
State School Building Bond Act of 1952 State School Building Bond Act of 1954 State School Building Bond Act of 1957 State School Building Bond Act of 1958 State School Building Bond Act of 1960 State School Building Bond Act of 1964 State School Building Bond Act of 1964 State School Building Bond Act of 1964 State School Building Bond Act of 1966 State School Building Bond Act of 1972 State School Building Bond Act of 1972 State School Building Bond Act of 1974 Totals, Partially Self-liquidating Bonds.	3%-3% 3%-3% 1.3% 1.3% 3.1.3% 3.1.4% 4.4.5 1.3% 4.4.6% 1.3	1955-1990 1959-1984 1960-1985 1961-1987 1965-1991 1967-1994 1970-1992 1974-1997	\$185,000,000 100,000,000 100,000,000 220,000,000 200,000,000 200,000,0	\$65,000,000,000 265,000,000,000	\$153,900,000 75,500,000 64,400,000 135,900,000 160,400,000 91,600,000 107,455,000 47,500,000 1,750,000 1,750,000 5931,405,000	831,1000 24,500,0 30,600,0 84,100,0 113,600,0 112,000,0 167,545,0 167,545,0 83,220,0 81,143,595,0 81,143,595,0

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STATEMENT OF BONDED DEBT OF THE STATE OF CALIFORNIA AS OF DECEMBER 31, 1978—Continued Schedule 9

(This statement does not include bonds issued under authority of state instrumentalities which are not general obligations of the State of California)

Outstanding	\$1,530,900,000		\$787,000 1,455,000 575,000 87,000	31,925,000	\$90,300,000 119,700,000 190,770,000 130,000,000 209,400,000 250,000,000 250,000,000 52,994,554,000 \$2,994,554,000
Redemptions	\$39,100,000		\$8,213,000 7,995,000 9,425,000	28,075,000 \$54,474,000	\$409,700,000 180,300,000 209,300,000 129,225,000 70,000,000 40,600,000 32,050,000 51,164,749,000 \$2,931,244,000
Unsold	\$180,000,000		1 1 1	1 1 1	\$250,000,000 \$00,000,000 \$00,000,000 \$1930,000,000 \$1,930,000,000
Authorized	\$1,750,000,000		\$9,000,000 9,450,000 10,000,000	000,000,000	\$500,000,000 300,000,000 400,000,000 250,000,000 250,000,000 350,000,000 500,000,000 500,000,000 \$1250,000,000 \$10,680,303,000 \$10,680,203,000
Maturity	1973–2022		1951–1985 1955–1989 1952–1983	1941–1983	1958–1984 1961–1986 1962–1989 1966–1989 1971–1992 1973–2000 1977–2003
Percent rate of interest	1/20-61/4			1-5%	1-3% 3%-4 3.1-4.35 3.1-4.35 3%-6% 5~-6% 5%-5%
Name of issue	SELF-LIQUIDATING BONDS (California Water Resources Development Bond Act of 1959	Harbor Bonds	San Francisco Harbor Improvement Act of 1909 San Francisco Harbor Improvement Act of 1913 San Francisco Harbor Improvement Act of 1929 San Francisco Harbor Improvement Act of 1929	India Basin Act of 1909 27.  Harbor Development Bond Law of 1958 '.  Totals, Harbor Bonds	Veterans Bond Act of 1956 Veterans Bond Act of 1958 Veterans Bond Act of 1958 Veterans Bond Act of 1968 Veterans Bond Act of 1968 Veterans Bond Act of 1971 Veterans Bond Act of 1974 Veterans Bond Act of 1976 Veterans Bond Act of 1978 Veterans Bond Act

The state school building issues debt service payments are partially refinanced with funds of the borrowing school districts over a 30- to 40-year repayment period as prescribed by statutes.

The California Water Resource Development Bond Act, the San Francisco Harbor Improvement Acts, and the Veterans Bond Acts are public service enterprises which have their own revenues to finance their respective debt service

\*Callable on and after July 1, 1951, by lot.

\*Callable on and after July 2, 1955, by lot.

\*Callable on and after July 2, 1955, by lot.

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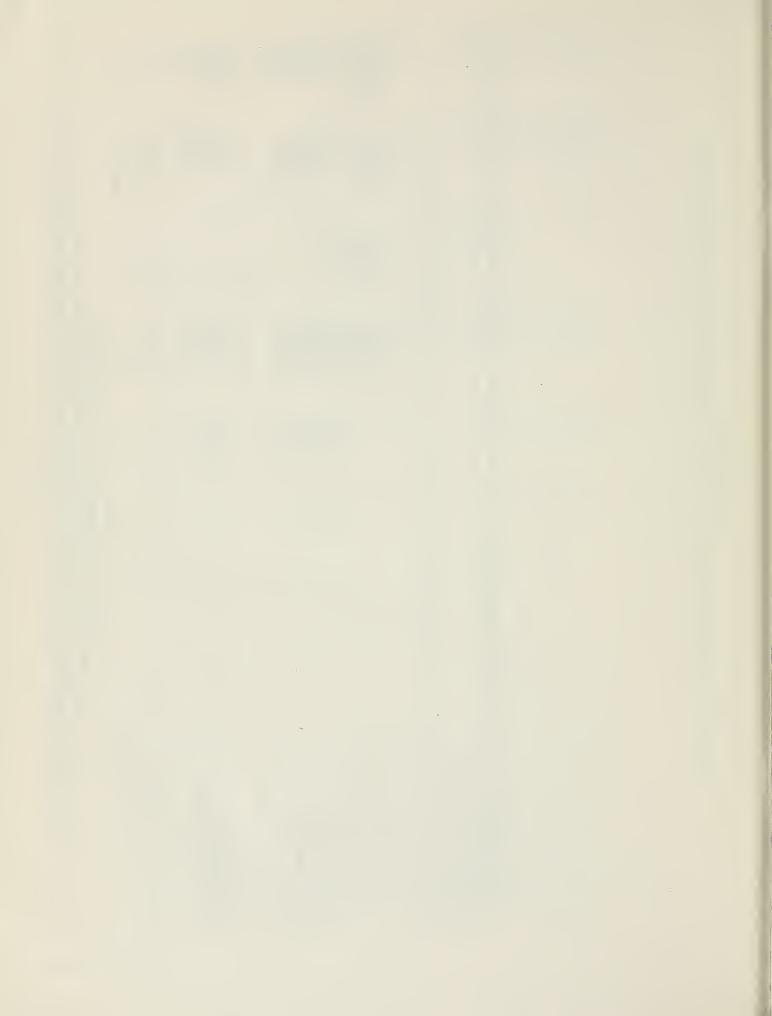
\*Callable on and after July 2, 1955, by lot.

\*Callable on and after July 2, 1955, by lot.

\*Callable on and after July 2, 1955, by lot.

\*Callable on and after







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